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ST. LOUIS POST-DISPATCH

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Warren Hearnes oversaw growth of state's role

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Warren E. Hearnes, who sharply boosted state spending on education during his governorship four decades ago, returned to his native southeast Missouri and finished public life as a legal-aid lawyer, handling the troubles of the walk-in poor. He kept office hours until last winter, when his health failed him.

"I wanted my family to be proud of me. That's my satisfaction," he said in an interview 12 years ago. "The next generation will not have the slightest idea what (I) did for public school education, or mental health, or anything."

He was wrong about that. On Monday, after word spread of his death late Sunday night at age 86 in his home in Charleston, Mo., condolences and praise poured in from the next generations of political leaders.

Gov. Jay Nixon, a fellow Democrat 33 years his junior, said Gov. Hearnes "was a groundbreaking man in many ways. ... Missouri is a better place because he answered the call to a life of public service."

Former Gov. Matt Blunt, a Republican, called Gov. Hearnes a "delightful man," adding, "Missouri has lost a true public servant."

Gov. Hearnes died shortly after 11 p.m. Sunday (Aug. 16, 2009) surrounded by family. He had been in declining health for about two years and was injured in a fall a few months ago. "We were all with him holding his hands," said Lynn Hearnes of Clayton, one of his three daughters.

Gov. Hearnes held elective office in Missouri for 22 years, as governor, secretary of state and state representative from Charleston. He was the state's first governor to serve two full consecutive terms, from 1965 to 1973. He was a candidate for U.S. Senate in 1976 and for state auditor in 1978, and later served briefly as a circuit court judge.

Except for his years in Jefferson City and the military, he lived in Charleston almost his entire life. After politics, he served for 16 years as director of the Southeast Missouri Legal Services Agency in Charleston. He retired in 1997 but still kept an office there.

Gov. Hearnes was married for 61 years to the former Betty Sue Cooper, known in Missouri politics as "Miss Betty," who served in the Missouri House of Representatives after her years as first lady and was herself a candidate for governor in 1988.

Friends called Gov. Hearnes "Squeaky" because of the pitch of his voice. **He is namesake of the Hearnes Center at the University of Missouri at Columbia**, a sports arena that was built in 1972 during his second term and now is home to volleyball, wrestling and other sports programs.

He was born on July 24, 1923, in Moline, Ill., his mother's hometown, because medical care was better there, but quickly returned to the family home in

Charleston, where he grew up. He served in the Army before he won an appointment to the U.S. Military Academy at West Point, from which he graduated in 1946. Three years later, he was a lieutenant serving in Puerto Rico when he broke a leg colliding with another player in the outfield during a softball game. The break failed to heal properly, and he was given a disability discharge in 1949.

He then enrolled in the University of Missouri School of Law. He was a 26-year-old student when he was elected state representative from his home Mississippi County in 1950.

Gov. Hearnes was elected majority floor leader in 1957 and 1959. He was elected secretary of state in 1960.

While serving in that office, Gov. Hearnes made it known that he was running for governor, even though Democratic Party leaders were backing then-Lt. Gov. Hilary Bush of Kansas City. Mr. Hearnes mounted a campaign against party leadership, known as the Establishment, referring to them as "that crowd in Jefferson City."

To him, the crowd included Central Trust Bank of Jefferson City, then a major depository of state funds and a key player in Democratic politics. He attacked Central Trust, saying he didn't want the backing of forces that would "select rather than elect" the governor.

In 1964, the 41-year-old Hearnes defeated Bush by 51,000 votes in a five-candidate primary, then received 62.3 percent of the vote against Republican nominee Ethan A.H. Shepley, a St. Louis lawyer who had been

Washington University's chancellor and a founder of Civic Progress.

Eugene P. Walsh, a lawyer in Clayton who was Gov. Hearn's first staff counsel, met him while serving in the Missouri House. Walsh said Gov. Hearn was successful in his first term because he knew the legislators "and could converse with them very easily. He made friends without being a toady. And he got 19 of his 20 bills passed in the first (legislative) session."

Among them was a constitutional amendment allowing a Missouri governor to be re-elected to a second consecutive term. Until Gov. Hearn, Missouri's only consecutive two-term governor had been John Miller, who won a special election in 1825 and a full term in 1828.

Granted that right by voters, Gov. Hearn sought re-election in 1968 against Lawrence K. Roos, the Republican candidate and then St. Louis County supervisor. Mr. Hearn won by a wide margin.

In 1970, he was elected chairman of the National Governors' Conference and brought its annual convention to the Lake of the Ozarks. But in 1971, he tried without success to get the Legislature to agree to allowing third terms for governors.

While governor, he pushed successfully for major increases in spending for education, highways and mental health services. During his second term, he won legislative approval for an increase in the state income tax. But opponents, led by then Sen. Earl Blackwell, D-Hillsboro, got the increase defeated in a statewide referendum in 1970. Two years later, Gov. Hearn persuaded the Legislature to adopt it.

U.S. Sen. Christopher "Kit" Bond, a Republican who replaced Gov. Hearnes in the governor's office, said his predecessor "will leave behind a legacy of bipartisanship," adding, "In true Show Me style, he ensured for me a smooth transition to the governor's mansion."

Floyd Warmann, vice chairman of the St. Louis County Police Board, recalled from his days as Gov. Hearnes' chief of staff that the governor could be disarmingly blunt. On a trip to the New York Stock Exchange on a state bond issue, an exchange executive praised Missourians as, per capita, the nation's second-biggest investors. Warmann said Gov. Hearnes responded, "'You mean all our money is coming up here?'"

Shortly after Gov. Hearnes left office, a federal grand jury in Kansas City began investigating allegations of corruption within his administration. The investigation was closed in 1977 without indicting anyone — Gov. Hearnes was fond of saying it netted him a \$51 refund from the IRS — but it damaged his political prospects. Mr. Hearnes said he always believed that President Richard Nixon was behind the investigation.

In 1976, Gov. Hearnes came in a distant second in the August primary for U.S. Senate behind U.S. Rep. Jerry Litton of Chillicothe. But Litton was killed in a plane crash on the night of his nomination, and Hearnes became the candidate by default. But he lost decisively to Republican John Danforth of St. Louis, then state attorney general.

Cleared by federal investigators, Gov. Hearnes won his party's nomination for state auditor in 1978 but lost to Republican James Antonio. That night, he

said, "It is now clear that my reputation is permanently damaged."

He placed a good bit of the blame upon the St. Louis Post-Dispatch. He sued the newspaper in September 1976, alleging libel in articles about the federal investigation. In 1979, the lawsuit was settled with a stipulation that terms would not be disclosed.

In 1980, then-Gov. Joe Teasdale appointed Gov. Hearnes a circuit court judge, but he lost in the party primary for the judgeship later that year. The following year, he took the legal aid job.

Lynn Hearnes, his daughter, said he kept that office until last winter "for the same reason he became governor. People brought little troubles to the governor's office, too, and he would always listen. In the end, it was no different at legal services. You were welcomed in the governor's office just like you were down here," she said from the family home.

In addition to his wife and daughter Lynn, survivors include two other daughters, Leigh Hammond of Des Peres and Julie Hearnes-Sindelar of Frontenac; and four grandchildren.

There will be two sets of services for Gov. Hearnes. In Jefferson City, his body will lie in state from 10 a.m. to 2 p.m. Wednesday in the rotunda of the State Capitol, followed by a service there at 2 p.m. In Charleston, visitation will be from 5 to 8 p.m. Thursday at the First Baptist Church of Charleston. The funeral will be at 11 a.m. Friday at the church, followed by burial at the I.O.O.F. Cemetery in Charleston.

New bank betting on Jeffco growth

By Jim Gallagher

ST. LOUIS POST-DISPATCH

Tuesday, Aug. 18 2009

With bank profits down and loan defaults up, this is a bad time to be a banker. But a group of St. Louis investors thinks they can make a killing in banking in Jefferson County.

Midwest Regional Bank — formerly the Bank of Otterville — on Monday opened a branch in Festus and declared the city its headquarters. The investors' plan is to lend money to businesses that are getting the cold shoulder from the frightened bankers of St. Louis.

Midwest Regional is advancing when many banks are beating a retreat. Bank of America, for instance, says it may cut as much as 10 percent of its branches nationwide. Many banks are tightening loan standards and many are cutting credit lines.

That means a lot of borrowers will be looking for a new bank, says Mike Bender, Midwest Regional's chairman. "There couldn't be a better time" to arrive on the scene, he says. "As unusual as it sounds, I truly believe that."

Other observers are skeptical, noting that the credit-starved are often riskier borrowers.

Otterville is a town of 490 near Sedalia in western Missouri. The investors, lead by Bender, bought the Bank of Otterville in December 2007 and gave it its new, grander-sounding name. Bender was formerly a regional president for U.S. Bank, covering an area around Farmington, Mo.

Since the acquisition, Midwest Regional has been on a rapid expansion. When purchased, the bank had \$19 million in assets, ranking it as tiny. Last June, it was up to \$51 million and Bender expects it to be over \$100 million by end of next year, which would still rank it as very small by banking standards.

The bank has also been losing money — \$865,000 in the first half of this year after an \$844,000 loss last year.

The losses stem in part from efforts to write down bad loans made under the previous management, Bender said. Currently, less than 1 percent of the bank's loans are considered troubled.

Bender's story is a typical tale of small-bank entrepreneurship, repeated many times in years when the economy was good. An experienced banker joins up with local investors with business contacts. They start a new bank or buy a tiny one, then set out to tap those contacts to bring in business.

The plan is usually to sell the new bank to a bigger competitor after a few years, pocketing a neat profit.

But this venture began just before the economy slumped into the worst recession in a generation, with the banking business taking the brunt of it.

Bender's investors put \$13 million into the venture. They are businesspeople and several doctors, mainly from St. Louis. The bank is counting on them to refer business. "I was just having lunch with a group of doctors who want to do a surgery center, but they can't find financing," said Bender.

The bank is betting that Jefferson County will experience fast growth again once the recession ends and the St. Louis suburbs resume their march south.

Will the plan work?

"It's not a strategy I'd be pushing if I were on their board," said Stuart Greenbaum, a banking expert and former dean of the Olin School of Business at Washington University. Businesses being cold-shouldered by their bankers are generally less credit worthy, he said.

Meanwhile, the St. Louis area already has nearly 1,000 bank branches. "If anything, people are talking about the area being overbanked," said Greenbaum.

Then again, lots of banks have retreated from risk in recent months, and that could leave opportunity for more adventurous bankers.

"It's a classic attempt to expand market share," said **Joe Haslag, economics professor at the University of Missouri.**

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Why Missouri is fertile ground for right-wing activism.

By Kevin Horrigan

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"I come from a country that raises corn and cotton, cockleburs and Democrats, and frothy eloquence neither convinces nor satisfies me. I'm from Missouri, and you have got to show me."

With the exception of the part about Democrats, everything that U.S. Rep. Willard Vandiver said in 1899 is still the case. Traditional "Show-Me State" skepticism has morphed into denial and outrage.

Town hall meetings are full of "tea party" activists loudly defending the 37th best-performing health care system in the world. A cadre of "birthers," including leading Missouri politicians, think its worth investigating whether the president of the United States was born in Kenya.

State Rep. Jim Guest, R-King City, campaigns on behalf of people who claim the government has planted microchips in their heads. Ron Boyer of Fair Grove, a member of the Missouri Air Conservation Commission and founder the group Scientists for Truth, argues that global warming is a government hoax.

Add to this the presence of the Missouri militia; extremist religious groups allied with the Christian Identity Movement along the Missouri-Arkansas border;

various ultra-conservative publishing operations; black helicopter alarmists worried about a federal takeover in the Ozarks, and you could get the idea that Missouri recently has become a hotbed of far-right activism.

Maybe it's something in the water. Fluoride, maybe.

Some historical perspective was needed, so who better than **Jeffrey L. Pasley, who will be teaching HIST 2440, the History of Missouri, this fall at the at the University of Missouri-Columbia.** It's not in the water, he said, nor is it recent.

"There has long been a throbbing vein of extreme conservatism here," he said, adding that conservative activism "does seem to grow up in places where you have lots of transplanted southern and rural whites living in a relatively diverse urban environment.

"That would apply to the post-war St. Louis, L.A., and Detroit suburbs. At the same time, Missouri is a transition zone for just about every social group and demographic trend imaginable, a place where the Rust Belt and Sun Belt, East and West, North and South always have had to confront each other and coexist. .

..

"Extreme conservatism seems to be a way that some white people cling to their rural 'individualist' and, it must be said, mono-racial mentality in the face of modern life and modern institutions, which requires living with different kinds of people and dealing with large organizations: Just deny the legitimacy of the whole thing."

Pasley referred me to **Susan Flader, now an emerita professor in Mizzou's history department**. As it happens, a long time ago I took one of her courses in environmental history. She said my name sounded familiar, but I think she was just being nice.

She recalled her work in the mid- to late-1990s trying to convince landowners in the Ozarks that a coordinated land management program in parts of the Ozarks wasn't part of a land grab orchestrated by the United Nations.

"There's always been a skepticism about government in Missouri," she said, "but when people are having mass meetings about the fear of black helicopters, that's a bit extreme."

The state's Southern conservative attitudes flourish in the Ozarks, Flader said, but at one point in the 1920s, parts of northern Missouri actually were progressive.

Those days are gone. Today, conservative activism thrives across the state, but is particularly prevalent in the St. Louis suburbs, south into the Ozarks and throughout southwest Missouri.

Pasley suggested that two factors account for this. "One, this was a virtually one-party Democratic state for such a long time, which left 'serious' conservatives with no real home back in the days when the old modern Republican establishment (who had accommodated themselves to the welfare state) still controlled the GOP."

Second, he said, is that a "number of conservative religious groups have their

headquarters and powerful establishments here: the Assemblies of God (in Springfield); the Lutheran Church Missouri Synod (in Kirkwood); the second-largest Mormon group (the Community of Christ, formerly the Reorganized Latter Day Saints in Independence), in recent pro-life times, I would have to count the Archdiocese of St. Louis.

"All of these groups encourage their members to militantly apply church teachings to society (and thus politics), and their churches and hierarchies have become organizing bases for conservative groups and the current GOP."

So it's not just the whole Show-Me thing?

"The Show-Me attitude does exist," he said, "but instead of healthy skepticism, it seems to manifest more often as extreme skepticism or indifference to new ideas or critical social and political thinking.

"Missourians seem to get most upset about someone trying to change the way they imagine things have always been, as good a definition of conservatism as any."