The Howey Political Report

By BRIAN A. HOWEY in Indianapolis

Another week, another Joe.

Within hours, perhaps minutes, of the stunning news that Peter Manous was stepping down as Indiana Democratic chairman, U.S. Sen. Evan Bayh was on the phone to his long-time classmate, friend, campaign manager, fellow officeholder, and confidante Joe Hogsett. Whether to talk about their kids, issues, personal or political crisis, Bayh and Hogsett are tight.

Almost simultaneously last Thursday morning, Gov. Frank O’Bannon summoned former Democratic chairman Robin Winston and his business partner, Pat Terrell.

“Would either of you like to do it,” said the governor, still stunned by the suddenness of Manous’ political demise. Terrell explained, “We were the first names floated and the first ones to rebuff.”

While Bayh, who never takes an election for granted, probably had settled on Hogsett as a guy he could trust and sell to the rattled Democratic Central Committee, Gov. O’Bannon, Winston, Terrell and Tom New quickly ended in a position similar to what took place after Joe Kernan’s Dec. 9 bombshell. “It was reminiscent of what happened after Kernan,” Terrell said. “We had put a list together and Joe Hogsett’s name was high on the governor potentials. It was the same thing this time.”

By the time O’Bannon talked to Bayh and Indianapolis Mayor Bart Peterson, Hogsett was the name that stood out. “He had the respect of everyone,” Terrell said.

“Sen. Bayh was the first person to have contact with me, which is not unusual,” Hogsett said. “That’s the nature...
DOW AT 8000: The Dow closed right at 8000.60 on Wednesday.

LUGAR SEEKS UNPREDICTABLE WORLD: A war with Iraq could still be avoided, but U.S. allies must step up to the plate with a unified voice against Saddam Hussein, Sen. Richard Lugar said Wednesday as he stopped in Fort Wayne to speak to area Republicans (David Griner, Fort Wayne Journal Gazette). "It's hard to tell how the world will turn in the next few weeks. President Bush has said repeatedly that war is a last alternative," said Lugar, R-Ind. "I think we're in a predicament now where we have to ask our allies to take more responsibility, and I think they will." The United States and its allies must continue to examine each option in dealing with Iraq's regime before committing to war, Lugar said. "There doesn't have to be (a war)," Lugar said. "We really are going about this thoroughly and patiently."

LUGAR NOMINATED FOR NOBEL PRIZE: U.S. Sen. Richard Lugar and former Sen. Sam Nunn have been nominated for the 2003 Nobel Peace Prize. Cuban human rights activist Oswaldo Paya Sardinas and Chinese dissident Wei Jingsheng were among of our friendship and our political alliance. That's not to say it was the first phone call that Sen. Bayh had made. I got the impression he had talked extensively with the governor, mayor, as well as other leaders."

What Bayh, O'Bannon and Peterson agreed on was that "they were under a pretty tight time frame," Hogsett said. "In their good judgment, this was a decision that needed to be made decisively and quickly."

What was at stake was the perception that the modern party that Bayh had helped create was imploding. There were nagging signs that everyone had denied. Some were concerned that Manous wasn't spending enough “face time” in Indianapolis from his Chicago and Merrillville law practices. When Bayh moved former state director Dan Parker into the state party, ostensibly to deal with the post-McCain-Feingold world of political finance, Manous was said to have bristled at the move.

There were complaints that Manous’ spokesman, former investigative reporter Dan Yovich, had a mean streak and a penchant for Lake County’s brute force politics. While Manous accepted credit for the Democrats fending off a national GOP tide and holding on to the House, former Speaker John Gregg said Manous had nothing to do with it and that there was virtually no contact between the House Democratic caucus and Manous.

Kernan’s decision to bow out of the governor’s race, despite vociferous denials, fueled the rumors that there was a falling out between him and the governor over Manous’ fast-track installation in July 2001. Then came the “Frozen Field” holidays when Bayh toyed with a run for governor, followed by the Democrats’ deep bench passing on what had always been the prized plum of Hoosier politics: The governorship.

Faced with defending a 16-year dynasty that Jim Kittle’s GOP machine was preparing to define as corrupt, old, brittle and staffed with the junior varsity, the party’s anxiety was reaching the point where it was when Ed Whitcomb defeated Bob Rock in 1968, signalling the beginning of a 20-year Republican reign.

By early Friday evening, Hogsett was the consensus choice.

“He is an excellent lawyer with a...
first-class mind,” said Bill Moreau, a former Bayh staffer who currently chairs State Sen. Vi Simpson’s gubernatorial campaign. “I think he is the right person at the right time. He will reach out to all the elements of our party with his absolutely infectious attitude, humor, wit and energy. To say that Vi and I and many others, including Ann DeLaney, are satisfied with Joe’s selection and impending election would be an understatement.”

“He will make an exceptional state chairman and I believe he is someone who can unite the party,” said Shaw Friedman, legal counsel to the Indiana Democratic Party. “It’s an excellent choice. The governor and senator came up with a consensus choice.”

Hogsett is expected to leave the voice of the party in the hands of current TV commentators Ann Delaney and Robin Winston and concentrate on what he calls “nuts and bolts politics.”

“Political party leaders, when I got started, concentrated on organization, precinct work, get out the vote, voter registration drives,” Hogsett said. Nor does Hogsett intend to wade into the treacherous waters of gubernatorial politics. “I have great amount of respect for Joe Andrew and Vi Simpson. Both are quality people with great energy, dynamic leaders who will no doubt be putting together their own campaigns. As party chair, I plan to stay completely neutral.

“My top priority if elected on Thursday, is to take one election at a time. I don’t want to look too far down the schedule,” Hogsett continued. “My focus will be to immediately consolidate and coordinate the party efforts so we have the most competitive municipal candidates. I’ll be excited about electing Democratic mayors and city councils.”

Regarding 2004, Hogsett said, “I suppose conventional wisdom says it would be nice to avoid a primary, something the Democrats have done for 15 years, but we’ve had incumbent governors. That’s not to say a primary won’t be healthy.”

As far as how long Hogsett, who has run a 50-mile ultra-marathon, will be a state chairman, he said, “My present intention is to serve out that term and assist in helping the party through 2003 and 2004. I do not see this being a commitment of any long standing.”

Hogsett will maintain his thriving practice at Bingham McHale, though he will consider himself a full-time chair. “The benefit being, as opposed to Peter, who had some geographic, physical limitations, my office is a block away.”

In this week’s edition of The Indianapolis Eye, read Brian Howey’s column on the Peter Manous downfall and Mark Kiesling’s primer on politics in “Da Region” at www.indianapoliseye.com

Sen. Clark enters the 2004 GOP race to stay

By BRIAN A. HOWEY


State Sen. Murray Clark, a just-announced candidate for governor, responded, “Yes. We’re voting on the floor.” Thus began this HPR Interview with the senator from Indianapolis on Tuesday, the day after he declared.

HPR: Where does your campaign start out with the obvious goal of winning the nomination in 2004?

Clark: We’ve spent six or seven months in an exploratory basis and came...
HPR INTERVIEW

Clark: The legislature will be busy. But over the next three months, there will be a lot of meetings with the party people on the Lincoln Day circuit. We’ll just continue to talk, aside from fundraising, about issues, policy and take my message out to anybody who will listen.

HPR: What should we expect out of your campaign over the next three or four months?

Clark: Education is always going to be, if not 1, then 1A. There isn’t anything in education we do more important than teaching beginning readers how to read. We have to make sure that the teachers that we hire have a full toolbox on ways to teach them how to read. When you talk about incorporating No Child Left Behind and the reading-first provisions of it, I think we need to understand and utilize what’s proven to have worked: Phonics or phonemic awareness or sound decoding. That’s so critical. Job No. 1 is job creation. Indiana continues to languish behind other states in investments in high tech ventures, medical research or promoting high wave startups or life sciences. I understand the governor of Iowa has announced a new program to invest and commit in life sciences in Iowa. If you look at Michigan, several years ago they committed a billion (dollars), Illinois has committed $2 billion, Ohio has committed $1.6 billion to a 10-year New Frontier Project. We have all the tools in place and we need to leverage our strengths. If we’re going to get serious, we have to make an investment, too. If we invest now, I believe we’ll reap enormous benefits later. Having said that, we need to invest wisely, which will involve investing in areas of this new economy where we can get a heavy cluster of private sector involvement. We need a full-court press strategy to develop a high technology-based economy that makes us a major player in the global market place. There has to be a sense of urgency about that. I don’t think that just doesn’t appear to be in this state right now. The third thing I would say is, here we go again with the budget deficit. It’s deja vu all over again. One of the things I had hoped last summer was when we got into the budgeting process we had formed a cost-cutting brigade or a Grace Commission, an old Reagan idea. This would involve the private sector into this analysis of where we are in state government. It’s easy to say we need to be leaner and meaner and more efficient, it’s difficult to find where to do it. But that never happens, so here we are again.

HPR: What about spending caps?

Clark: I had spending cap language in the bill that was filed last year. Problem is you don’t have to go very far in the language to figure out how to do the end-around and so I filed a constitutional amendment resolution which hasn’t gotten a hearing, to establish a constitutional requirement that we cap spending.

HPR: How are you going to balance keeping the tax rate low at the huge problems we face with Medicaid, education, combined sewer overflows, and an aging population?

Clark: That’s why I mentioned taking a comprehensive look at what we do and where we are. I cannot accept that we have no discretion in how we deal with state-sponsored programs and entitlements. That’s not the case. I recognize it’s easy to say we need to cut back on that stuff and everytime you talk about it,
somebody is not going to be happy. But we cannot continue to have budget problems like this and we will until we take a good hard look at how we establish our budgets and programs. I’m also not willing to accept there’s no place we can find efficiencies through changing the way we do government, whether it’s the way to do e-procurement, or whether it’s taking a look at performance review of agencies and departments within state government. We haven’t really changed our form of state governance in quite awhile, whereas in the private sector, things have changed so much in the last decade it’s unbelievable. So that’s all a way of saying we need a major change and a new way we do business in this state. I don’t suggest to you I have a specific, detailed answer as to how that will occur, but I do suggest we get serious about how we can do things differently.

**Clark:** I don’t hear many people talking about it, but I still think it’s a very legitimate concept. Accepting the way we do things here is inertia and the acceptance of the status quo doesn’t lend itself to having a constitutional convention and starting from scratch. But if we had to do it all over again it would be a wonderful exercise in statesmanship. It would provide an opportunity for a lot of us around here to take a step back and question why we do things the way we do rather than just accept them.

**HPR:** How do you win in May?

**Clark:** There are a couple of realities. You have to raise money. I think that after the primary and the field narrows to one, people will come together and really help that one candidate. Now, when there’s more than one candidate, which I think is the likely case, the fund-raising is diluted so it’s more challenging. Fund-raising will be important for the candidates to gain name recognition and then sell the message. That is true of every person who is out there, except in a way for David McIntosh because he ran for governor before. The message is going to have to be a good message. It will be carpe diem, a seize the moment kind of message where the doors are wide open and I’m convinced that statewide, irrespective of party affiliation, people think there needs to be some kind of change. I feel very comfortable in doing that. I’ve run statewide, my wife has run statewide, and I know how to do a campaign. We’ve made a lot of friends statewide. You have to get the political people comfortable with you and then the primary voters. Republican voters tend to be more conservative than the general voters. The general election will be a fight for the center.

**HPR:** McIntosh goes into this with $9 million in name recognition and then there’s Mitch Daniels. Put those challenges into context.

**Clark:** With regard with Mitch, he’s got the same issue I do with name recognition. I’ve run statewide before so I have a little name recognition. Mitch is the same way. The political insiders know about him, but name recognition is something we’ll all need to acquire before we can really sell the message. David has much better name recognition than all of us, but again, if anybody who is able to raise enough money to establish it, the sooner that happens with even a decent marketing campaign, you raise yourself up. Then it becomes a question of selling your message. Fortunately for me and unfortunately for David, the election is not this month or next month. It’s 15 months from now.

**HPR:** When Mitch Daniels gets into this thing as expected, how will you deal with the clear-the-field pressure that will ensue.

**Clark:** We’re in. An election is a marathon, not a sprint. I’m not going to bow out just because a couple of people think I should. It’s not in the cards. I’ve tried to make that very clear. ❖

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**McINTOSH SAYS ESTRADA IS GETTING BORKED:**

Miguel Estrada, President Bush's controversial federal appeals court nominee, faces the same "tar and feathering" that Supreme Court Justice Clarence Thomas and failed Supreme Court nominee Robert Bork received, David McIntosh says (Muncie Star Press). McIntosh, who gave up his seat in Congress to run for governor of Indiana in 2000, is a longtime national co-chairman of the influential Federalist Society. Members of that ultra-conservative
Indiana 2003 Racing Form

Indiana 2003 Mayoral Races

Bloomington Mayoral: Republican: Fred Prall. Democrat: Mark Kruzan. 1999 Results: Fernandez (D) Fernandez (D) 6,589, Lewis (FUSSA) 258, Clemens (I) 2,746 Maidi (I) 306. 2003 Outlook: Kruzan, a former state representative and majority leader, didn't seek reelection to state office in hopes of becoming mayor of Bloomington. "I absolutely consider it a promotion," the Democratic candidate said (Sara Morin, Bloomington Herald-Times). Kruzan announced Tuesday that he had filed his candidacy. In the upcoming weeks and months, he said he would be detailing a progressive agenda that outlines his vision for Bloomington. Mayor John Fernandez, who is not seeking a third term, has endorsed Kruzan as his successor. Fred Prall has filed to run as the Republican candidate for this year's mayoral race. We see this election has Kruzan's the lose, which isn't likely. General Status: LIKELY KRUZAN.

East Chicago Mayoral: Republican: None. Democrat: Mayor Robert Pastrick, Councilman George Pabey, Judge Lonnie Randolph. 1999 Primary Results: Pastrick 5,772, Stephen Stiglich 3,790. 1999 General Results: Pastrick (D) 3,027, Acost (R) 629. 2003 Forecast: All eyes are on Pastrick who was running himself in Mexico when the Peter Manous bombshell dropped last week. The fact that Pastrick was in Mexico seems to signal how deep the challenges are to him in this primary. However, with the feds breathing down the neck of his son, Kevin, Manous and Pedro Porras, his city engineer, the rumor mill is spinning that an indictment may be on the way. This is nothing Pastrick hasn't experienced before. If there are problems, the key question is whether someone like Randolph, who has run credible Indiana Senate campaigns before, has it together enough to take advantage of such a situation. And remember, an indictment or federal investigation is hardly a death knell for a candidacy, as Anderson Mayor Mark Lawler can attest. General Status: Solid Pastrick.

Elkhart Mayoral: Republican: Mayor Dave Miller, Councilman Dave Henke, Charles Hawkins. Democrat: James Perron, Councilman Rod Roberson. 1995 Results: Perron (D) 5,017, McDowell (R) 4,869. 1999 Results: Miller (R) 4,959, Perron (D) 3,902. 2003 Forecast: Brushing aside a defamation judgment, former Mayor Jim Perron said Monday that he will run again to lead Elkhart because his research indicates that many residents are unhappy with the current administration (Sara Toth, South Bend Tribune). "In response from growing pressure from old and new supporters, I am throwing my hat in the ring," said Perron, 47, a Democrat whose time in office from 1983 to 1999 makes him Elkhart's longest-serving mayor. Mayor Miller said he was expecting the former mayor's announcement. "This is not a surprise," Miller said. "He has been running for mayor since the day he was defeated. I frankly thought he would have announced before now." Perron's entrance in the race will not change the way Miller campaigns, the current mayor said. "We have a campaign to win, regardless of who opposes us," Miller said. General Status: Leans Miller.

Evansville Mayoral: Republican: Mayor Russell Lloyd Jr. Democrat: State Rep. Jonathon Weinzapfel. 1995 Results: McDonald (D) 19,162, Frary (R) 9,565. 1999 Results: Lloyd (R) 15,980, Borries (D) 15,461. 2003 Forecast: No citywide property taxes will be used to finance a Downtown baseball stadium, Mayor Russ Lloyd Jr. said Wednesday. But that statement conflicted with the understanding that other city officials had this week of what possibly could happen (Herb Marynell, Evansville Courier & Press). A resolution for a bond anticipation note and future bond of up to $13 million for stadium financing approved Tuesday by the Redevelopment Commission listed the possibility of a special tax for additional property taxes, if necessary for annual bond payments. The resolution document was prepared by the Indianapolis law firm of Baker & Daniels. Lloyd said Wednesday using citywide property taxes
for the stadium isn't what he wanted. "Some of these people aren't listening, I guess," Lloyd said. He said he would contact Baker & Daniels officials today. **General Status:** Leans Lloyd.

**Indianapolis Mayoral:** Republican: Treasurer Greg Jordan, Bob Parker.

**Democrat:** Mayor Bart Peterson. **Libertarian:** Open. 1995 **Results:** Goldsmith (R) 64,209, Jimison (D) 39,539, Dillon (L) 7,175. **1999 Results:** Peterson (D) 102,870, Gilroy (R) 83,044, Horning (L) 7,772, Gibson (OP) 2,145. **2003 Forecast:** All eyes are on Bob Parker and his decision on whether he will "honor the slating process" or continue his campaign through the GOP primary or run as an independent. **General Status:** Likely Peterson.

**Muncie Mayoral:** Republican: Mayor Dan Canan. **Democrat:** Dennis Tyler. 1995 **Results:** Canan (R) 9,718, Carey (D) 6,521. 1999 **Results:** Canan (R) 7,973, Smith (D) 5,611. **2003 Forecast:** Democratic Party Chairman Dennis Tyler has yet to declare, although many observers believe he still plans to enter the race, as opposed to giving Canan a free pass. **General status:** SOLID CANAN.

**Indiana 2004 Gubernatorial**

**Governor 2004:** Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris. **Democrat:** Joe Andrew, State Sen. Vi Simpson. **1996 Results:** O’Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O’Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Peter Manous stunning resignation from the Democratic Central Committee is good news for Simpson. Manous could hardly hide his contempt for Simpson, openly questioning her ability to raise money, and publicly seeking anybody but Vi. With Joe Hogsett's installation at State Committee tonight, Simpson’s campaign now believes the playing field will be level. Watch for Simpson to announce more endorsements in the next couple of weeks, as well as officially ignite her campaign. After that, she will be working to put to rest the notions that she can’t raise money. If she passes the early money tests, her campaign will be in a position to gather steam. Andrew has yet to officially file his exploratory committee so that means he must not be raising money yet. On the Republican side, Clark’s official entry and insistence that he’s in for good, no matter what Mitch Daniels does will give Jim Kittle heartburn. McIntosh is taking a similar view of the world, believing that any current poll will show him leading. The diplomatic clouds hovering over President Bush’s preference to invade Iraq, the duct tape scare, towering deficits and an uncertain economy may be fueling the notion among the GOP field that there’s a strong possibility that Daniels won’t look so powerful. The problem with that is that if it’s true, that bodes ill for whoever wins the nomination in 2004. Daniels will be the featured speaker at the Rush County Lincoln Day Dinner, set to take place at 6:30 p.m. Friday at the Rush County Fairgrounds Root Building (Rushville Republican). "We are really excited to have Mr. Daniels visit Rush County," Rush County Republican Party Vice-Chairman John McCane said. "The Rush County Lincoln Day is one of only three county events at which he (Daniels) has chosen to speak." Shortly after Homeland Security Secretary Tom Ridge suggested that Americans stock up on duct tape and plastic sheeting in the face of a heightened terrorism alert, the wife of Mitchell E. Daniels Jr., the White House budget director, told her husband that the slogan for Valentine's Day this year should be "Say it with duct tape." So Mr. Daniels, amused, sent Cheri, his wife, a Valentine's bouquet wrapped in the tape of the moment (New York Times). "It was some kind of combo arrangement, I don't know much about flowers," Mr. Daniels said, describing his order to the florist. "But I told them I wanted duct tape on the stems and wrapped around them in some kind of artistic way. I think they kind of got into it" (New York Times). **Status:** Leans D.

- Brian A. Howey

**ticker tape**

COUNCILMEN TO RETIRE: Two more veteran Republican Indianapolis City-County Council members have decided not to seek re-election this year, bringing to four the number of GOP incumbents calling it quits (Indianapolis Star). William Dowden and David continued on page 8
Smith have begun telling colleagues the news, which comes as Republicans work to retain their 15-14 edge on the council -- and Democrats try to take control of the body for the first time since it was created in 1970. For Dowden and Smith, the tail end of their council stints include embarrassing headlines. First elected in 1971, Dowden was widely criticizing for referring to critics of police conduct during Indiana Black Expo last summer as "thugs and gorillas."

BP FIRE AT WHITING JARS GASOLINE MARKET: Tuesday's fire at the BP refinery rattled already jittery gasoline markets, sending the price of wholesale gasoline up 7.5 cents a gallon in the greater Chicago area (Times of Northwest Indiana).

Brian A. Howey, Indianapolis Eye - This is a quadrennial affair. East Chicago Mayor Pasrick runs for re-election, and there are rumors of indictments involving his city controller, or waste hauling contracts, or tire recyclers. The only folks more probed and investigated in the U.S. have been Bill and Hillary Clinton, Edwin Edwards and John Gotti. When you get into that type of dynamic, entrenched enemies not only play hardball, they hammer nails on the ends of baseball bats. This time, the indictment fever may have snared a state party chairman. Then there is the curious case of ex-Lake County Councilman Troy Montgomery, who was implicated in the scandals involving county Auditor Peter Benjamin and apparently rolled for the feds. (Times of Northwest Indiana report Bill) Dolan reported that Montgomery wore a wire and recorded conversations with local politicians on his way to a guilty plea on federal racketeering charges. The way to break the ice with Region politicos these days is to say "It's OK to talk; I'm not wired." Was Manous caught up in that? Possibly.

Jack Colwell, South Bend Tribune - Pay your bills. That's good advice. Good for you, if you're tempted to avoid paying the Christmas bills by letting the balance and interest grow on credit cards. You could end up so deep in debt and paying so much for interest that you won't be able to take care of vital needs in the future. Good advice also for President Bush. Now, realistically, there are times when most of us can't pay bills right away. We have house mortgages, car payments and sometimes a credit card balance that can't be paid off entirely each month. So it is now with President Bush. He can't pay all the nation's bills now. There must be a deficit budget. But how big a deficit? A record ocean of red ink is proposed. And that doesn't include the cost of war with Iraq, seemingly inevitable. As Federal Reserve Chairman Alan Greenspan told Congress, there must be tougher budget discipline. He said future big tax cuts ought to be tied to ability to get the deficit under control. Some Democrats in Congress would have you believe all that red ink is due to Bush's first round of tax cuts. (Which, incidentally, most Democrats supported in whole or in large part.) This is not so. The effects of the recession and the impact on the economy of the 9/11 terrorist attacks played a bigger role.

Mike Leonard, Bloomington Herald-Times - Like so many other Americans, I was comforted last week by the advice that we should all stock up on plastic sheeting and duct tape in the event of a terrorist attack. Who could have known it would be so easy? Al-Qaida operative, speaking by cell phone to Osama bin Laden: "Things are not going well here. They all have duct tape." Bin Laden: "(Expletive!) They ALL have duct tape?" Operative: "Every single imperialist pig-dog. Even the children. They're wearing little duct tape bracelets." Bin Laden: "Do you know what you can do with that stuff?" Operative: "Do I ever. Half of the aircraft in Iraq's Republican Guard are held together by duct tape."

Scott Jones, Indianapolis Eye - I have a radical, possibly counter-intuitive, proposal premised on the fact that, culturally and in practice, Indiana has proven itself too conservative and risk-averse to make the necessary investments in its future. We should INCREASE legislators' pay and institute a full-time legislature as many other states do.