



HOWEY

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Kernan initiates critical sequence, but Daniels had memorable debate bite

Will question trump governor's IPALCO card?

By BRIAN A. HOWEY in Franklin

Over the past 10 days, for the first time since he re-entered the race, Gov. Joe Kernan appeared to be on the initiative. He began airing two TV commercials dealing with health care and college tuition caps. Then he went on the offensive, castigating Republican Mitch Daniels over the IPALCO sale to AES. There were two TV



ads featuring retirees who lost life savings. Kernan used several press conferences in Indianapolis and Evansville to hammer in the point that while Daniels wasn't a bad person, "he used bad judgment."

With the IPALCO seed planted - with the help of the shadowy Indiana Fair Business Alliance corporation - in the voters' minds, Kernan deftly shifted gears. He and Lt. Gov. Kathy Davis announced "sweeping" government reforms on Monday, including a nine-member cabinet and a shift in property assessment from townships to counties.

At the beginning of this finely crafted sequence, the prevailing conventional wisdom was that Daniels was in the lead, 12 points according to a WXIN-TV poll, 2 points in a *South Bend Tribune*/WSBT poll, and 13 to 14 points the campaign was citing in "external polls." Reliable GOP sources told HPR that the external polls were pushed. Meanwhile, allies of Gov. Kernan were telling HPR they believed the governor was trailing in the 5 to 6 percent range. Kernan campaign manager Bernie Toon was calling it too close to call. After the IPALCO ads began running, sources said Kernan pollster Fred Yang had the margin at 3.5 percent for Daniels.



"If this is a good record, what would a bad one look like?"

— Mitch Daniels, in his opening debate statement Tuesday at Franklin College

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Brian A. Howey, Publisher
Mark Schoeff Jr., Washington Writer
Jack E. Howey, Editor

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Call 254-0535.

The Howey Political Report
PO Box 40265
Indianapolis, IN 46240-0265.

www.howeypolitics.com
BrianHowey@howeypolitics.com
Indianapolis Office: 317-506-0883.
Indianapolis Fax: 317-254-0535.
Washington Office: 202-775-3242.
Business Office: 317-254-0535.

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The critical dynamic shift between Sept. 17 when the Kernan-Davis campaign called for Daniels to release his personal tax statements, through the Tuesday night debate at Franklin



College was that for the first time Daniels was responding. He matched the Kernan health care ads with one of his own. After the IPALCO assault, Daniels began airing a TV where he looked directly at the viewer and explained, "I am truly sad that some folks weren't able to keep the gains everybody got at the outset, because they sold their stock early. In my case, I sold all my stocks because President Bush called me to service, and it was the most ethical thing to do."

Then came the debate.

Almost every TV station and newspaper picked out the Daniels opening statement as the highlight. "Tonight the average Hoosier earns 88 cents for every dollar the average American earns," Daniels began. "In the last four years, we have lost over 100,000 jobs, one of the worst records of any state. Even in this year of national recovery, when 1.4 million new jobs have been created nationally, Indiana has not participated. Through the most recent month for which we have final data, July, we'd actually lost more ground. We lead the nation in bankruptcy. We lead the nation in foreclosure. We're the only state in America that lost high-tech jobs during recent years. We are the only state in America where welfare rolls have gone up and not way down since 1996.

"If this is a good record," Daniels asked, "what would a bad one look like?"

The critical question - unanswered at this point - is whether Daniels "good record/bad one" quote will become the defining moment of the fall campaign, trumping IPALCO retiree Chuck Freeman, who says in one of the ads, "If he can do that to the working man . . . it's hard to tell what he'll do if he's governor."

Daniels, who has orchestrated political endeavors ranging from Dick Lugar to President Ronald Reagan, wasn't sure what the impact of the sequence will be. In a Wednesday morning interview with HRR, Daniels explained, "We just want to stay on course. We did have to pause to address the falsehoods. There was no avoiding it. If they call you a child molester, you just can't leave that unchallenged. Heck, I don't think there's ever been anything like this. We had so many of our ads made ahead. The quandary we're in

is which one to use last."

Asked if he thought his rebuttal ad was effective, Daniels explained, "Yeah, I think so. I don't know what the net is. How much of the mud will stick as opposed to the backlash. Some people believe that stuff and you can't do much about that. We're getting a ton of feedback from people who are disgusted about the thing. I don't know what the net of that is."

While Daniels can hope that his question to Kernan during the opening sequence will become the true defining moment - akin to Reagan's 1980 "Are you better off than you were four years ago?" - Kernan had memorable debate moments. On the health care/drug reimportation issue, Kernan observed that Daniels "has proposed a Chevrolet instead of a Cadillac. It is more like a Yugo." It allowed him to make the populist case for drug reimportation.

Kernan attempted to recast the issue. "This is not a federal problem or a state problem, it's a problem for seniors and families across Indiana and across America," the governor said. "We should not have to reimport drugs from Canada. But I've made it very clear that absent another solution, that I will support that because we have people that are in crisis."

Daniels retorted, "I just don't think it's a good idea to put large numbers of Hoosiers at risk of being ripped off or, worse, harmed by rapacious middlemen who will rush to fill this opportunity."

On the I-69 issue, Kernan got Daniels to acknowledge his willingness to study tolls. "It should not be a toll road," Kernan said. "There is one toll road in Indiana, and that is one too many."

Daniels explained, "Let's get honest about something. There is no money around to pay for this. That's why I brought up the subject of tolls."

As we said last week, this is the critical campaign sequence, the first clues coming in the next set of polls. The dynamic has changed, but the impact is unclear. ❖



Gov. Kernan with campaign manager Bernie Toon. (HPR Photo by Brian A. Howey)

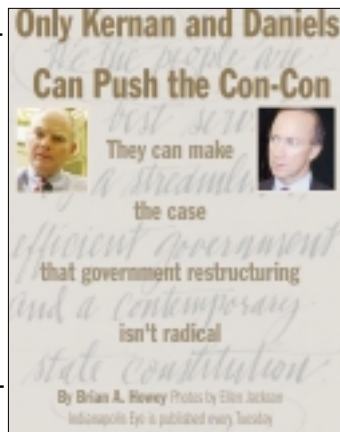


Making the case for a Constitutional Convocation in September 2005

By BRIAN A. HOWEY

Have you ever stopped to imagine Indiana in the year 2099 - some 95 years from now?

In 1999, Hoosiers were swept up in the Millenium change and virtually all of the analysis was looking back on our past. Few imagined how Indiana might change as dramatically - if not more so - than how our state was transformed between 1900 and 1999. Purdue University went from horse husbandry to producing engineers who designed the space shuttle. It is worth pondering whether our government institutions will be prepared to deal with the quantum leaps and dangerous twists we will experience in communications, logistics, education, medicine, security, race and creed over the next 95 years.



Within four years, the first edge of the Baby Boom generation - the biggest democraphic age group in the history of the United States - will begin retiring in a wave that could overwhelm precarious retirement, medical and long-term care systems and facilities.

By the end of this biennial budget, Indiana's Department of Corrections bill will top \$1 billion. We will spend more money jailing people than we do on higher education. Our economy is making a fitful transition from old line manufacturing to one centered on life sciences, logistics, communications and high-tech manufacturing. This transition has not been smooth to date, as Indiana has lost more than 100,000 jobs in the last four years, nor will it be without dangerous curves in the future.

Indiana has nearly a \$2 billion structural budget deficit. It has a combined pension shortfall expected to top \$3 billion. Indiana cities and towns will be spending more than \$10 billion in the next decade to comply with EPA combined sewer overflow mandates.

And, Indiana has a political culture that has, for a generation, adhered to the political philosophy of "no new taxes." This transcends all political parties. Indiana's political culture has not produced credible figures who effectively use the bully pulpit to prioritize these overwhelming obstacles and

Why is Howey qualified to discuss government reform?

I have covered government as an editor, reporter and publisher since 1979. As state editor for the *Elkhart Truth*, I was responsible for the coverage of small town government in places like Nappanee, Wakarusa, Middlebury and LaGrange. We covered county governments in Elkhart, LaGrange, Kosciusko and St. Joseph counties. In 1985, I began reporting the Elkhart City Council and government for *The Truth*. I began covering the Indiana General Assembly that year as well as writing a political column.

In 1990, I worked as an editor for the *Fort Wayne Journal-Gazette*, and then as a reporter covering the Fort Wayne City Council in the state's second largest city, and the Allen County Commissioners and Council. In 1994, I launched *The Howey Political Report*, which analyzes the Indiana local, state and federal political functions. In 1997, as a reporter I covered Indianapolis City-County government for *NUVO Newsweekly*. Between November 2002 and February 2004, I wrote about Indiana and Indianapolis government and politics as publisher of the *Indianapolis Eye*, a role I will resume in early 2005.

The point is, I've covered Indiana government at virtually every level from the sewer and library boards of Wakarusa to the Indiana Senate. I've seen government work effectively, inefficiently and corruptly. I believe this career's worth of reporting, investigating, editing and working as a commentator has given me a unique perspective to attempt to lead my state into a process I believe will ultimately benefit its people for the coming century. ❖

challenges, even if the costs can be associated with a better quality of life.

Indiana is top-heavy with government. A 1998 study by Crowe-Chizek found that Indiana elected more officials than almost any other state. While New York and Florida have 67 counties with more than three times our population, and California has 58 counties with more than 10 times our population, Indiana's 92 counties mean we have more county government per capita than virtually any other state. Under that, we have 1,008 townships. Townships were created to handle the needs of people who could move no faster than a horse. They no longer provide education. They could soon be stripped of their tax assessing role, leaving only poor relief, fire protection and small claims courts.

With these elements in play, *The Howey Political Report* has come to the conclusion that the only way Indiana can adequately prepare for the future, provide the social safe-



ty nest, insure homeland security, and keep a reasonable tax rate is to restructure its state and local government. This needs to be done in a comprehensive way. It makes no sense to change the role of townships if counties aren't modernized.

The political reality is that Gov. Joe Kernan, Lt. Gov. Kathy Davis and Republican challenger Mitch Daniels have acknowledged the need for government reform. Daniels has told HPR that "everything should be on the table" and has said he will seek a "secretary of commerce" position should he be elected. Gov. Kernan and Lt. Gov. Davis announced a new nine-member cabinet form of government at the state level, and proposed transferring township property assessing duties to the counties.

These are incremental steps when HPR believes that the entire, interlocking quiltwork of government should be overhauled to reflect a 21st Century society.

Lt. Gov. Davis didn't rule out a Constitutional Convention. "We haven't rejected that at all," she said at her Monday briefing with Statehouse reporters. "We just haven't gotten there at this stage."

HPR believes the newly elected governor on Nov. 2 should consider calling a Constitutional Convocation in early autumn 2005. He would do this in unison with the leaders of the two other branches of government. Chief Justice Randall Shepherd, President Pro Tempore Robert Garton, and the next speaker of the Indiana House should join the governor in calling this Constitutional Convocation.

The Convocation would include representatives from the executive, legislative and judicial branches of government. It should also include citizens representing Indiana's cities, counties, townships, all races, creeds and economic stations. The Convocation would convene to consider and pass an agenda. Its members would then fan out to conduct hearings in their communities, boardrooms, union halls, schools, and civic clubs to listen to the people.

Two months later, it should reconvene to pass a series of constitutional amendments that would be introduced to the Indiana General Assembly in January 2006. The goal would be to pass the amendments in the 2006 and 2007 sessions of the legislature, and then be prepared for a ballot referendum to be placed before the people in the 2007 municipal elections, as well as in precincts in unincorporated areas. Should these pass with the will of the people, Indiana could be the first state to recognize the hard social and economic realities, and prepare itself to thrive in the 21st Century. It will be a century that will leave us as vastly different in 2099 as was the difference between 1900 and 1999.

Why a Constitutional Convocation as opposed to a Constitutional Convention? Because the current Indiana Constitution has no provisions for calling a Constitutional Convention. It would have to be amended to allow for such a mechanism to be in place, a three-year process. A

Constitutional Convention would be better from the standpoint of citizen involvement. Delegates could be elected and the people's will would be paramount. Under the Convocation proposal, existing units of government - with their biases and traditions - might be in a position to dominate the proceedings. That is why a citizens pillar should be included in addition to the executive, legislative and judicial branches.

But this exercise would reinvigorate both the public policy and political processes.

Indiana Government

The Constitutional Convocation of 2005 should consider the following amendments:

1. Create a true executive branch. The offices of secretary of state, treasurer, auditor and superintendent of public instruction should be appointed by the governor. This would give the Indiana governor true working ability and accountability for the executive branch of government. It would be easier for the common voter to distinguish officials that should be elected.

2. Give the governor a line item veto: When Gov. Joe Kernan proposed this, he joined former Republican U.S. Senator Dan Coats in advocating this position, albeit Coats did this at the federal level. But both the Democratic governor and the Republican senator realized this is an effective executive tool to keep a rein on budgets. Indiana has a constitutionally weak governorship, with a simple majority veto override. A line item veto would give the governor a greater ability to management state budgets in the best interests of all the people.

Local government

1. Restructure County Governments: Replace the three-member County Commissions with a county executive. Currently the executive accountability of county government is diffused three ways. With no one person calling the shots, a culture of under the table and backdoor dealing pervades in dozens of counties across Indiana. We hear stories about it all the time.

2. Elect only policy makers: The county executive would establish an executive administration. He would appoint the county auditor, clerk, treasurer, surveyor and fire chief. Counties would establish a county medical examiner under the auspices of the executive branch. This would give true accountability for the voters to a county executive. A county council would be elected to act as a legislative/fiscal body. The sheriff and prosecutor would be elected to provide checks and balances.

3. Township government: Townships would be dissolved. Tax assessing, poor relief and fire protection would be shifted to the 92 counties. ❖



Indiana 2004 Statewides

Governor 2004: Republican: Mitch Daniels. Democrat: Gov. Joe Kernan. Libertarian: Kenn Gividen. **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:** A number of viewers watching the gubernatorial debate on TV told us that Gov. Kernan seemed to come off stronger and relaxed. They said Daniels seemed somewhat angry when he went on the offensive in his opening statement. But the subsequent news coverage seemed to center on Daniels' quote ("If this is a good record, what would a bad record look like?"). So who "won" the debate will depend on which message ultimately carries the day on Nov. 2: time for a change; Indiana is all screwed up; he cheated IPALCO retirees; he wants to import drugs from Canada; he's going to cost us tolls on U.S. 31 and I-69. It's too early to tell which message is going to prevail.



Going into this sequence, we felt this was Daniels' race to lose. While he hasn't done anything to lose it to date, if Daniels can't get back on the offensive and get Gov. Kernan to react, this race will tighten up and all bets are off. A radio ad campaign featuring a website - www.lfbainc.com - attacks Republican gubernatorial candidate Mitch Daniels over the IPALCO sale to AES. Calling the sale "Indiana's Enron," the site lists areas such as "Who profited," fact listings, timelines,



First Lady Maggie Kernan, Gov. Kernan and Prof. John Krull, the Franklin College moderator. (HPR Photo by Brian A. Howey)

and testimonials from 14 people who lost life savings. The website includes a green button that reads "My Man Mitch Did a Bad Thing." The website explains, "Most of us are aware of the recent corporate scandals such as ENRON and how a few unethical executives made millions at the expense of the employees who lost everything. Who would think that could happen in Indiana. Well it did! Mitch Daniels and the other Board Members for Indianapolis Power & Light recommended and approved the sale of this long time locally owned utility. Immediately the Board Members and company officers including Mitch Daniels dumped their stock and made millions. But the average employees stock was frozen and could not be cashed in - then the stock plunged 92%. Mitch cashed in for over 1.4 million dollars. But most employees who had invested for years lost almost everything including their dividends and retirement funds. Mitch, do you understand the difference between right & wrong?" The Daniels campaign website features a section called "The Truth About IPALCO". It reads, in part, "Joe Kernan has raised this issue to attack Mitch Daniels. In fact, both candidates for Governor were involved in approving the sale of IPALCO to AES. Mitch was a member of the IPALCO Board of Directors when it voted unanimously in September 2000 for the sale to AES. Joe Kernan was Lieutenant Governor in February 2001 when the State of Indiana gave the green light to federal regulators to approve the sale." In an HPR interview on Friday, Indiana Utility Regulatory Commissioner Bill McCarty took issue with the term "green lighted," saying the IURC has no such authority. Daniels began running a response ad on Monday. Bill Oesterle, Daniels' campaign manager, said the candidate taped the ad -- which begins with the words "About the governor's latest personal attack" --



Daniels and John Hammond III survey the crowd at the Chamber's Hobnob at the Indiana Historical Society last week. (HPR Photo by Brian A. Howey)



about two months ago. "Mitch's integrity has been wrongfully attacked, and for reasons far more important than politics, it was important for him to defend his name," he said. Tina Noel, Kernan's campaign press secretary, fired back that "Mr. Daniels continues to shirk responsibility for his actions." U.S. Sen. Dick Lugar released the following statement Monday:

"Despite the fact that American voters frequently criticize political candidates for using unfair and negative advertising attacks, campaign consultants just as frequently advise candidates whose campaigns appear to be falling behind to go for the jugular with the most destructive words and symbols possible. Mitch Daniels' opponents have sadly decided to attack the person instead of debating the policies that will give Indiana a better future. I am confident that Mitch Daniels' vision for the future of Indiana, and his obvious ability to succeed, will shine through." State Rep. Luke Messer, executive director of the Indiana Republican Party, said if a link can be found between the Kernan-Davis campaign and the Indiana Fair Business Alliance, which is running the IPALCO radio ad against Daniels, "That would be criminal activity" (WISH-TV). Messer said the IFBA was designed to circumvent campaign finance laws. Gov. Kernan complained at a post-debate press conference that Republican Chairman Jim Kittle's "Legacy of Neglect" booklet had 30 unflattering photos of him, including one from Sept. 8, 2003, the day he returned from Chicago after Gov. Frank O'Bannon was stricken with a stroke. "I was not looking very happy," Kernan said. "I had a dour look on my face. That's when all of this began." Kernan said the IPALCO ads "tell a story. My opponent wants to make this about him. Now he is hurt. But a lot of people were hurt." Daniels said at his post-debate news conference, "I'm sorry the Governor has chosen to go this route. I'm not going to join him on this low road." He added that "this administration is always looking in the rear view mirror." Kernan also said he wants another debate. "I hope so," the governor said, "I can't make him debate. It's up to him." The Kernan-Davis government reform proposals unveiled on Monday played virtually no role in the debate the next day. Some think Kernan was playing politics with the issue. Our take? There could be a political price for playing the card if township or county officials who do some of the groundwork become leery of the changes that will occur. Daniels' campaign said the plan appropriated many of his proposals, such as dismantling the troubled family services agency and easing the burdens of the permit process (*Times of Northwest Indiana*).

"Rearranging the chairs is less important than who's in them,"



Daniels at the Hobnob on Sept. 23. (HPR Photo by Brian A. Howey)

said Ellen Whitt, a Daniels' campaign spokeswoman. Senate President Pro Tempore Robert Garton said he's open to some of the government reform changes Kernan proposed, especially those to fold quasi-government agencies into the state government structure and eliminate boards and commissions. "I think these proposals would be before us regardless of who is elected," Garton said (*Indianapolis Star*). "I think Mitch (Daniels) was really ahead of him. He has a similar agenda." **Status:** *Tossup.*

Attorney General 2004: Republican: Attorney Gen. Steve Carter. Democrat: Joseph Hogsett. **2000 Results:** Carter (R) 1,077,951, Freeman-Wilson (D) 978,713, Harshey (L) 45,490. **2004 Forecast:** Carter and Hogsett questioned each other's political motives Sunday during a televised half-hour debate. Carter emphasized the success of consumer protection programs begun in his first term. They included the state's do-not-call list, which he said he wanted to expand to include restrictions on unwanted faxes and spam e-mail



(Associated Press). Hogsett said he wanted to focus more on crime and seek broader powers to combat methamphetamine abuse, gangs and identity theft. He also hit Carter over budget increases in the attorney general's office. Carter later questioned Hogsett's decisiveness, citing his late entry into the race after 16 months as Democratic state chairman. Hogsett replied that he had many reasons for running, including his own experience as a victim of identity theft. In turn, Hogsett questioned the timing of Carter's decision to prosecute alleged public corruption in East Chicago's 1999 Democratic mayoral primary.

"It is interesting that these allegations involve activities that took place five years ago," said Hogsett, holding up five fingers for emphasis.

Carter said that advisers had told him the East Chicago legal case was strong, and he decided to pursue it "regardless of the election calendar."

Status: *Leans Carter.*



Indiana 2004 Congressional

U.S. Senate: Republican: Marvin Scott. Democrat: U.S. Sen. Evan Bayh. **1992 Results:** Coats (R) 1,267,972, Hogsett (D) 900,148. **1998 Results:** Bayh (D) 1,012,244, Helmke (R) 552,732. **2004 Forecast:** Bayh has begun running TV re-election ads. They accent his bipartisan nature, mentioning, for instance, that he has worked on legislation with Republican U.S. Sen. John McCain "to cut pork barrel spending." Bayh says he's for repeal of the inheritance tax and ending the marriage penalty all while working in a "bipartisan" manner. It's a message that any Hoosier Republican would be proud to repeat. Bayh is a cinch for re-election, but his position on the ballot is vital for Indiana Democrats. If Bayh wasn't on the ballot, the tendency to vote straight Republican in a state likely to support President Bush by close to 60 percent would be stronger. Bayh has the potential of getting voters to pick and choose, which is good news for Indiana legislative Democrats, who usually pick up seats when Bayh is on the ballot. **Status:** *Safe Bayh.*

Congressional District 2: Republican: U.S. Rep. Chris Chocola. Democrat: Joe Donnelly. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2000 Presidential:** Bush 53%, Gore 44%; Cook Partisan Voting

Index: R+5; **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2004 Forecast:** Chocola has opened a 13-point lead over Donnelly. according to a poll commissioned by the *South Bend Tribune* and WSBT-TV, 53-40 percent. **Status:** *LIKELY CHOCOLA*

Congressional District 8: Republican: U.S. Rep. John Hostettler. Democrat: Jon Jennings. Green Party: Clark Gabriel Field. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. Media Market: Evansville, Terre Haute, Indianapolis. Lafayette. **People:** Urban/rural 58/42%; median income \$36,732; poverty 10.7%; race white 93.7%, black 3.7%, Hispanic .9%; blue/white collar: 32/52%. **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2002 Results:** Hostettler 98,952 (51%), Hartke 88,763 (46%), **2004 Forecast:** Jennings on Thursday released a 50-page issue agenda that includes raising the minimum wage, making health care more affordable, homeland security and other things (*Evansville Courier & Press*). Hostettler responded with a statement calling Jennings "a newcomer" who "for most of the last 20 years ... has been more concerned with the economic interests of Massachusetts." **Status:** *Tossup.*

Congressional District 9: Republican: Mike Sodrel. Democrat: U.S. Rep. Baron Hill. **Media Market:** Evansville, Indianapolis, Louisville, Dayton, Cincinnati. **People:** urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2002 Money:** Hill \$1.144m, Sodrel \$1.62m. **2004 Forecast:** Hill and Peter Visclosky were the only Indiana members of Congress who voted against a 146 (b) billion-dollar tax relief package today (*WANE-TV*). The 339-to-65 vote in the House and the 92-to-three vote in the Senate would extend three middle-class tax cuts. **Status:** *Leans Hill*

Indiana 2004 Legislative

House District 26: Republican: Tippecanoe County Councilwoman Connie Basham. Democrat: Joe Micon. **Geography:** Lafayette, West Lafayette, Tippecanoe County. **2002 Results:** Scholer 5,630, Micon 4,731. **2004 Forecast:** Internal GOP polling shows Basham with a 10 percent lead. **Status:** *Tossup.*

House District 46: Republican: Jeff Lee. Democrat: Vern Tincher. **2002 Results:** LaPlante (R) 8,079, Tincher (D) 7,275. **2004 Forecast:** Republicans are hoping to bring before a new judge the issue of having Jeff Lee's name on the ballot for the Nov. 2 general election. Vigo County Judge



David Bolk on Monday concluded Lee is the certified candidate for the Republican Party (*Terre Haute Tribune-Star*). Bolk, hearing a lawsuit filed by the Indiana State Democratic Central Committee, issued a temporary restraining order preventing any other name from being placed on election ballots. The order lasts for 10 days. That means Lee's name will be on 250 absentee ballots in Vigo County to be mailed this week. State Rep. Ed Mahern told the Tech Point summit on Wednesday that the deadline is important because a Terre Haute-based National Guard unit is serving in Iraq and those soldiers should be able to vote (HPR). On Tuesday, Bolk granted a request from Republican Chairman Jim Kittle for a new judge for a hearing on a preliminary injunction, stemming from the State Democratic Central Committee lawsuit over the validity of Lee's candidacy. Such an injunction would not be limited in time, as was a temporary emergency order Bolk issued Tuesday, however the issue would remain the same. Democrats claim Lee is the valid Republican candidate, while Republicans say Lee has moved out of the district and is no longer a candidate. A Republican caucus Monday certified Rep. Brooks LaPlante, R-Terre Haute, as a candidate.
Status: *Leans D.*



Special Municipal Election

East Chicago Mayoral Democratic Primary: Mayor Robert Pastrick, George Pabey, Lonnie Randolph. **2003 Disputed Primary Results:** Of the 8,227 votes personally cast in the May 2003 primary, Pabey received 199 more than Pastrick. But of 1,950 absentee ballots, Pastrick defeated Pabey by 477 votes, producing a 278-vote victory for

Pastrick. **2004 Forecast:** Citing a desire for change among East Chicago voters, Lake County Sheriff Roy Dominguez bucked past political allegiances Monday, endorsing George Pabey (Times of Northwest Indiana). "Over the past years, it's become apparent to me that many of those who support Mayor Pastrick have steadily forgotten that they are here to serve the people, not the other way around," said Dominguez to a shower of applause from Pabey supporters gathered at the challenger's Chicago Avenue campaign headquarters. Pabey and Dominguez embraced at the gathering, and Pabey called the endorsement a surprise, "something that makes me very happy." The challenger said he learned of the sheriff's decision to back him just hours before the announcement. "Over the years, I have supported the current city administration," Dominguez said. "In that time, I have developed a deep respect and friendship with Mayor Pastrick... "My decision today is not against somebody. It's about healing for the city. Pastrick said he was surprised and hurt by Dominguez's decision to back Pabey. "It's very hard for me to comprehend the whole situation -- hard for me to believe," Pastrick said, noting that Dominguez, also an attorney, served as the mayor's chief legal counsel for five years. "I thought Roy had more integrity than that. I truly thought that the sincerity and friendship we shared was really beyond reproach." Special Judge Steven King asked political factions to stick to the point Wednesday while arguing the mechanics of the 2003 East Chicago mayoral repeat election on Wednesday, and got his wish. Within three hours, King heard varying views on two motions: Lonnie Randolph, an East Chicago lawyer, asked that his name be removed from the Democratic primary ballot for the Oct. 26 election; and George Pabey, a former East Chicago councilman, asked that the Lake County Election Board not be allowed to open a satellite office in East Chicago to issue, mail and accept absentee ballots for the special election, which was mandated in an Aug. 4 ruling by the Indiana Supreme Court. **Status:** *LIKELY PABEY* ❖

04 Bush-Kerry *Election* Presidential Polls

Rasmussen Tracking, Sept. 27-29
 Bush 49, Kerry 45

Los Angeles Times, Sept. 25-28, +/-3
 Bush 51, Kerry 45, Nader 2

Fox News, Sept. 21-22
 Bush 46, Kerry 42, Nader 1

CBS Sept. 20-22, +/-3
 Bush 49, Kerry 41, Nader 2

Zogby America, Sept. 17-19, +/-3.1
 Bush 46, Kerry 43

Gallup Florida, Sept. 25-28 +/-4
 Bush 52, Kerry 43, Nader 1

Gallup Ohio, Sept. 25-28, +/-4
 Bush 49, Kerry 47, Nader 1

Gallup Pennsylvania, Sept. 25-28, +/-4
 Bush 49, Kerry 46, Nader 1 ❖



Leslie Stedman Weidenbener, *Louisville*

Courier-Journal - The campaign commercials are coming fast and furious now. Even in the Louisville television market — where most viewers are Kentuckians, not Hoosiers — the Indiana candidates for governor are filling the network and cable airwaves with messages about why voters should choose them to lead the state the next four years. And the tone of the ad war has taken a decided turn. Gov. Joe Kernan last week released the first two of what will likely be a series of ads that focus on his opponent — Republican Mitch Daniels — rather than on his own record and agenda. Republicans are calling the ads negative attacks.

The Daniels campaign called it "such a disappointing day" in an e-mail to supporters. "Gov. Kernan told us that he would keep his campaign clean and positive, but today he totally tried to trash Mitch," the e-mail said. "I guess this isn't going to be the kind of race Gov. Kernan said it would be. Bummer." The e-mail is interesting in part because Daniels essentially has established the ground rules with his own ads roundly criticizing Kernan and Democratic leadership of the state the past 16 years. In fact, the focus of Daniels' campaign — as summed up in a recent ad — is that every garden needs weeding every 16 years. And he's made a habit of using phrases like: We haven't been governed by bad people, just badly governed. With such phrases, Daniels has managed to conduct his campaign without the harsh tone that often accompanies negative or attack advertising. "He's been successful at conveying a sense of dissatisfaction without it coming across as excessively personal or mean-spirited," said Robert Dion, a political science professor at the University of Evansville. But the tone of the Daniels ads — and his campaign rhetoric — doesn't mean the content isn't critical.

Pete Ciancone, *Terre Haute Tribune-Star*

The election races, if they generated actual noise, would have been cited all week for violations of the city's noise pollution ordinance. In Congress, Democrat Jon Jennings unveiled his plan for the 8th District, complete with a way of financing his priorities, broken into eight categories, but with emphasis on three: jobs, health care and education. He called for his opponent, incumbent Rep. John Hostettler, to present his own. To date, the Republican response has come from the National Republican Congressional Committee, claiming that Jennings would have voted against extending tax cuts passed in 2001. Hostettler touts his support for the cuts, along with his vote in

favor of keeping God in the pledge of allegiance. In Indiana, the governor's race has heated up as Gov. Joe Kernan has made challenger Mitch Daniels' role in IPALCO a centerpiece of his latest efforts. For those unfamiliar with the case, Daniels sat on its board, and voted to sell the company to an out-of-state group. Daniels said everybody at the time agreed that it was best for all parties concerned. Kernan notes that Daniels and the board were the only ones who made out as the new company saw its stock tank, and former IPALCO workers saw their jobs and savings melt away. The Daniels campaign calls it a smear. Everyone involved agreed that the sale was a good plan, including Daniels, and his sale of stock was required by his acceptance of a job in the Bush administration. The Kernan campaign calls it nothing personal, just an airing of a candidate's professional credentials. All this, and the Cubs in a race for the playoffs. The roar is deafening. ❖

Jack Colwell, *South Bend Tribune*

Why has the race become heated? It's a matter of strategy. Kernan knows he is trailing, although he contends it's just by a smidgen. Still, he can't afford to let Daniels continue with a barrage of TV spots suggesting that Democratic governors have left the state in a mess that will require "a lot of cleaning up to do," and not hit back. Kernan hit back at Daniels' record as a board member of Indianapolis utility IPALCO Enterprises. Daniels approved sale of the utility to a Virginia firm, a sale that turned out to be a bad deal for IPALCO stockholders, retirees and employees. Daniels, who had not assailed Kernan by name in his commercials and stressed that Democrats in state government were "not bad people," charged that Kernan had gone too far with a personal attack. "They're behind and getting further behind," Daniels said. "I assume they decided this was their last resort." IPALCO has hovered over the campaign. In The Tribune poll on the governor race conducted Sept. 7-9, IPALCO was cited by 8 percent of likely voters as a negative about Daniels. That was the highest rated negative, presumably almost all coming from the Indianapolis area. Most voters in other parts of the state had never heard of IPALCO. By the same token, the largest rated negative for Kernan was the College Football Hall of Fame, cited by 7 percent. Presumably most of that came from the South Bend area. Most voters in other parts of the state had never heard of the hall or its funding woes. Kernan made no charge that Daniels engaged in criminal activity. Borrowing a line from Daniels, he explained: "I'm not saying he is a bad person. I'm just saying he made bad judgments along the way." But the Daniels camp sees the IPALCO commercials now on TV as a personal attack, suggesting that Daniels was involved in some Enron-type scam. Not so, they say, and it is unfair. ❖





Bloody 8th Subdued

Victory Depends on Ground Effort

By MARK SCHOEFF JR.

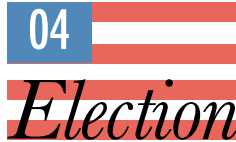
The Howey Political Report

WASHINGTON--Once again, the 8th CD congressional race will be one of the most competitive in the nation. But it won't be one of the loudest.

The decibel level has fallen this year, as the contest between 10-year incumbent Republican Rep. John Hostettler and Democratic challenger Jon Jennings is overshadowed by the presidential and gubernatorial battles. Although victory will depend on winning the ground war, the Bloody Eighth will be less gory than it has been in the past.

"They're fixated on the presidential race," Vanderburgh County GOP Chairwoman Betty Lou Jerrel said of voters in the district. "In a way, I feel sorry for local candidates. They almost have to manufacture something" to draw attention to their races.

Elsewhere in the district, state-house races eclipse the Hostettler-Jennings bout. "For an election coming up, it's quiet in the county," said William Springer, Sullivan County GOP chairman. "Everyone's resigned to the fact that (congressional) races aren't as close as they used to be." Springer said Hostettler will win the county, calling Jennings "too liberal for the eighth district." But he acknowledged that Sullivan leans Democratic. "If there was more interest, then Hostettler would be in trouble."



Democrats Praise Jennings Ground Strength

Without a national issue dominating down-ballot contests, turning out the vote becomes more crucial. Since his first win in 1994, Hostettler has depended on a strong grassroots organization to provide the door-to-door, lawn sign, and phone bank work that helped him eke out victories. In 2002, he defeated Democrat Bryan Hartke 51-46. Hostettler's campaign estimates that it has 6000 volunteers this year. Stoked by his social conservatism, Hostettler draws on the religious community for help and sometimes signs up entire families.

"It's mainly the church people who work like they're killing snakes for him," said Springer.

Democrats express confidence that Jennings, a former assistant coach for the Boston Celtics and Clinton administration official, will compete with Hostettler on the ground. County chairmen praise Jennings' door-to-door work and the database of supporters that his campaign has developed.

"They seem to be in much stronger shape than Hartke was two years ago," said David Bohmer, Putnam County Democratic chairman.

Jennings has made a concerted effort to breakthrough in Terre Haute, said Joe Etling, Vigo County Democratic chairman. "This race can be won with a tremendous turnout of Democratic votes in (Vigo) county," said Etling. "If we do our job, Jon Jennings can and should win." He asserts that Hostettler ignores the area, which was added to the district in 2002.

Gun Charge Not Highlighted

One incident that is being mostly ignored is Hostettler's arrest in April for carrying a handgun into the Louisville International Airport. In August, he pleaded guilty to a misdemeanor charge but avoided jail time. The gun folly looked as if it would be this year's equivalent of the 2002 controversy surrounding Hostettler's statements to breast cancer survivors during a meeting in his office. The women, some of



Hostettler



Jennings

whom were from the district, said that Hostettler linked the disease to abortion. A firestorm broke out, at one point pitting Hostettler against the Evansville Courier Press, which first reported the story.

But in the largely rural and strongly pro-gun district, Hostettler is avoiding heat for packing heat. The Jennings campaign is not going to shoot at him. "We said early on that we weren't going to politicize that issue," said Tim Henderson, Jennings' campaign manager. "It's a legal matter for him to deal with. We are taking him to task for his record in Congress."

Hostettler's campaign said that record, highlighted by conservative causes such as opposing same-sex marriage, and a penchant for following through on promises will get him re-elected. "The congressman has done exactly what he said he would do," said Hostettler campaign manager David Sherfick. "That theme will continue." In his television commercials, Hostettler also touts his support for the district's Doppler radar station and for the Crane Naval Warfare Center.

Jennings asserts that the Hostettler record is vacuous. Last week, he portrayed himself as the idea man, issuing a 50-page plan that covered economic development, health care, education, homeland defense and the environment. "It's the first time a candidate has put on paper what he's going to do," said Henderson. "Hostettler has been there 10 years and has never released a plan."

Support from Washington

Getting that plan into the public conscious will require advertising. Jennings and Hostettler are both up on TV--Jennings with ads on his biography and the economy,



Hostettler with spots on local projects, the Marriage Protection Act, and tax cuts.

Keeping ads up through election day, which both campaigns vow to do, requires money. Jennings is leading in fundraising, with \$270,869 on hand as of June 30. Hostettler had \$147,541 on hand.

Both campaigns may get a boost from Washington. The Democratic Congressional Committee has included Jennings in a targeted "red-to-blue" fundraising effort. The National Republican Congressional Committee has reserved time on Evansville television for the last three weeks of the

campaign.

"This is a race we feel good about," said DCCC spokeswoman Stacy Kerr. "It's one we're watching closely. Jon Jennings is a great candidate. He's put together a very aggressive field organization. That just hasn't been done by a Democrat in that district before."

But Hostettler's crew says it is doing better. "We feel like that once again our grass roots is going to give us another victory in the Bloody Eighth," said Sherfick. "We feel confident." ❖

Buyer on Iraq: Remember America's first 100 years

By BRIAN A. HOWEY

INDIANAPOLIS - U.S. Rep. Steve Buyer read with great interest, but didn't buy into HPR's notion that a second term for George W. Bush would be the "Gray Davis Presidency" where bad news will overwhelm a second term.

With regard to the troubling situation in Iraq, Buyer explained, "The first 100 years is pretty important."

Say what?

"Well, we didn't get the Constitution right," Buyer said of our Founding Fathers. "There was the Whiskey Rebellion. We were fighting the Indians, Mexicans, Canadians and Spanish. And, of course, there was the Civil War."

Buyer, a staunch supporter of President Bush who served in the 1991 Gulf War, explained, "Our first 100 years wasn't pretty."

And the point he was making was that in today's Fast Food McAmerica, there is little appetite for waiting. We want it now. Americans are expecting an Iraq to be stable and pumping oil ... yesterday. When that didn't happen, people see failure. Just as the Europeans thought of the United States in 1814, or 1862.

Buyer recounted the story HPR told last week, of finding the Iraqi general sobbing in front of his men on the desert floor in 1991, amid the stinging sand, daisy cutters and the burning oil derricks. Buyer told the general to "stand up" and asked, "If you are an officer, then act like one."

He acknowledged there are steep, harrowing challenges ahead in Iraq for both the native tribes and the Americans. "It takes eight to 10 years to get a good, seasoned company commander," Buyer explained of the U.S. military. "It takes 14 or 15 years to develop a good first sergeant. It takes 20 to 25 years to get a good lieutenant colonel or a colonel or a sergeant major."

"There is an absense of leadership," he explained.

The eight year Iran-Iraq war decimated the Iraqi military. So did the paranoid Saddam, who repeatedly butchered his own officer corps a la Stalin.

He then stated, "It's not as though there was a revolution."

That actually began to occur in the spring of 1991, when the Kurds in the north and the Shiites and Marsh Arabs of the south rose up to challenge Saddam. As the United States stood idly by, Saddam crushed those rebellions and began filling mass graves. "How different things would have been if we have come in on the side of freedom fighters," Buyer said. Another 20,000 Iraqi militia prisoners taken by the U.S. never went back. "So there is an absence of leadership."

He noted a *USA Today* story earlier this week of how Iraqis keep lining up for military and police jobs while the insurgents - many part of Saddam's brutal security apparatus - take aim.

HPR's question of last week - can Iraq raise a competent military and police force that can stake their own destiny - "is a good one," Buyer said. "These are people who lived under tyranny and now they're free. They don't know how to do that. They are really learning what it is like to rule themselves."

"It's like repairing an airplane in flight while being shot at," Buyer said. "I think this will be very challenging."

Buyer remembered telling his Congressional colleagues - some voting for war authorization in 2002 who are now critical of President Bush, "Do not let the bravado of today become your false tomorrow."

It's going to be tough. Brutal. Terrible. Scary. It may fail. The next century will be important for Iraq and America. ❖



Rep. Steve Buyer





House Republicans release agenda; no new taxes

INDIANAPOLIS - House Republicans want voters to know what they're getting when they cast their ballots Nov. 2 (*Indianapolis Star*). Wednesday, they offered the first part of their legislative agenda -- a mix of old and new ideas about business tax credits, government spending controls and a tax amnesty program. Although Republicans stressed that good government leaders need to think ahead, they said it was too soon to tell how they would address an equally pressing problem. That problem is an \$800 million budget deficit, which lawmakers must deal with in January -- just three months away -- when they craft a new two-year spending plan. "A tax increase would be the last choice for House Republicans," said House Minority Leader Brian Bosma, R-Indianapolis. Republicans would consider many other options first, he said.

Kuzman accuses GOP of further tax shift to homes

CROWN POINT - State Rep. Bob Kuzman, D-Crown Point, said the series of business tax credits Bosma proposed would further shift the tax burden on to homeowners still reeling from reassessment increases (*Times of Northwest Indiana*). He agreed the state must encourage business growth to create jobs, but said homeowners shouldn't pay the difference. "The way to do it is not to shift taxes around," Kuzman said. "That's a shell game. The way to do it is to reduce the tax rate and size of government and be more efficient."

Peterson consolidation plans get first public airing

INDIANAPOLIS - Nitty-gritty details of Mayor Bart Peterson's plan to consolidate local government received a first public airing Wednesday, though many points -- including the proposal's

impact on taxes -- remained obscure. About two dozen members of an advisory panel appointed by Peterson to discuss the proposal -- which includes merging fire, police and township services -- grilled experts on topics such as ambulance response times and firefighter retirement plans (*Indianapolis Star*). "I've been with the Perry Township Fire Department for 11 years, and I've been waiting for consolidation for 11 years," said Mark Roberts, one of a handful of firefighters in the audience who spoke up. "Township government is an outdated system that only serves itself," he said.



Tax protests erupt in Muncie as budget passes

MUNCIE - Upset taxpayers like Mike Foster told Muncie City Council Wednesday that the city better start holding the line on higher property taxes. "It is time for you to do what we want you to do," said Foster, who said property taxes on his rental properties had skyrocketed. Retired teacher Fred Glancy Jr. said if the council did not control spending, the city would be bankrupt and close. "You can have my property because I cannot afford it," said Glancy, an 82-year-old westside homeowner (*Muncie Star Press*). More than 125 people showed up to vent their anger and frustration over higher property taxes at city hall Wednesday when the council voted 7-2 along partisan lines to adopt a \$36.7-million city budget that carries a proposed 17-cent hike in



Mayor Canan

the city property tax rate. Mayor Dan Canan will get no pay raise in 2005, nor will his department heads. "That is fine," Canan said. "We can live with any cuts."

Bayh says there will be enough flu vaccine

SOUTH BEND - U.S. Sen. Evan Bayh, D-Ind., estimated Tuesday that there will be 100 million doses of flu vaccine available this year (*South Bend Tribune*). The total is expected to be enough to meet demand, but is less than actual need, according to Bayh, who estimated that there are 185 million "vulnerable" Americans who should be vaccinated against the disease. Bayh's comments followed a Tuesday hearing before the Senate Committee on Aging that reviewed national preparedness for the coming flu season.

Asians, Hispanics fuel Indiana population growth

FRANKFORT - Indiana's growing Hispanic and Asian communities have fueled much of the state's population increase this decade, according to new Census Bureau estimates. The number of Hispanics living in Indiana jumped by nearly 12 percent between 2000 and 2003, with the state's Asian population growing by about 20 percent during that time, according to population figures being released Wednesday (*Associated Press*). The growing Hispanic population can be seen in all parts of the state, with some of the greatest increases coming in rural counties that a generation ago were nearly all white. Mary Lou Costello said that was the case when she arrived in Frankfort 32 years ago from Mexico. The Clinton County city, southeast of Lafayette, had few Hispanic families at that time. But the Census Bureau estimates the county's Hispanic population topped 3,200 last year -- up some 700, or 28 percent, since 2000.

