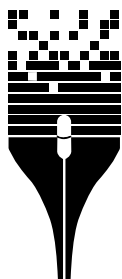


# The Howey Political Report



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## “QUOTE” OF THE WEEK

“Not too bad for a nice guy, huh?”

- Gov. Frank O'Bannon, during his acceptance speech at the Indiana Democratic Convention last Sunday

## July fiscal numbers critical to gov's race

### Year end numbers, tax plan critical

By **BRIAN A. HOWEY**

*The Howey Political Report*

INDIANAPOLIS - With the two major parties united, their placid conventions now history, the verbal assaults from David McIntosh on the status quo, and the retorts from Gov. Frank O'Bannon returned, the first half of July now looms as a critical juncture in the gubernatorial race.

The linchpin event will be when the O'Bannon administration releases its end of the fiscal year numbers, probably after the Fourth of July holiday.

That could be a significant hurdle for the incumbent administration. Sources tell HPR that the personal property exemption that Ways and Means Chairman B. Patrick Bauer clandestinely put in the 1999 biennial budget bill has the potential to wreak the kind of havoc that occurred in the final stretch of the 2000 legislative session. That is when the O'Bannon administration announced a \$200 million shortfall in the surplus and prompted the governor to put the brakes on any new spending, creating chaos in the legislative process.

What were once robust budget surplus numbers, informed sources tell HPR, are now likely to be problematic.

A case in point comes from the perspective of Curt Kovener, editor of the *Crothersville Times*. He noted that of the 45 filings for the personal property tax exemption in Jackson County, all were accepted. “All but one of those people didn't pay anything,” Kovener said.

The curve for David McIntosh is also going to be critical. The news media are eagerly waiting for the Republican nominee to “fill in the blanks” of his guaranteed 25 percent

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# TICKER T A P E

**BUSH HAS SLIGHT LEAD OVER GORE:** A CNN/USA Today/Gallup poll has Texas Gov. George W. Bush leading Vice President Al Gore 48-44 percent in the presidential race. On the vice presidential front, the hot name in Republican circles appears to be Ohio Sen. George Voinovich, a former Midwestern governor who is also a Catholic.

**LUGAR ON GAS PRICES:** U.S. Sen. Richard Lugar has accused the Clinton administration of being "asleep at the switch" in the face of rapidly escalating fuel

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## Governor, *from page 1*

property tax cut.

Indiana Democrats have stoutly insisted that the McIntosh plan lacks credibility and that it will result in almost certain cuts in education.

### "We did it!"

Last weekend's Democratic convention was payback time for the O'Bannon administration. Gov. Frank O'Bannon's nomination acceptance speech laid out the coming themes for his final campaign.

"Four years ago, I stood before you and pledged as governor to keep our economy strong, to improve our schools, to not only hold the line on taxes but cut them, to add 500 police on the street, and to protect our environment. And I'm happy to say ... we did it!"

The governor said that Indiana is "number one in the nation" in providing

health care for children, setting the highest academic standards, delivering support for senior citizens, creating middle class jobs and moving people off welfare and into work.

In an obvious retort to McIntosh, O'Bannon quipped, "Not too bad for a nice guy, huh?" The governor added that "Like the last four years, improving education will be my number one priority."

In the most rollicking speech of the day, Lt. Gov. Joe Kernan accented several coming themes for the O'Bannon re-election effort. "Frank O'Bannon is just who he seems to be. He's a great guy who tells it like it is and people trust him." As for McIntosh, Kernan said, "He was the only one out of 300,000 people who had a bad time" at the Indianapolis 500, used a "bad word" and added, "He misbehaves."

### McIntosh's victory strategy

What must McIntosh do win this

election? The most crucial element is to convince the reporters and editorial writers that his 25 percent property tax cut plan can work. Several independent financial experts like Bill Styring of the Hudson Institute believe that theoretically it is possible if the economy doesn't tank. Look for McIntosh to call on some credible Republicans, such as the IMA's Pat Kiely, State Rep. Jeff Espich and Joe Loftus to lay out the supporting numbers.

"It will be clear in July that this is doable," said Chris Jones, McIntosh's deputy chief of staff. "We're totally prepared to do that."

The McIntosh camp believes that O'Bannon has "no credibility" on the property tax issue, given his 1996 promise of a 12 percent property tax cut. The Republicans perceive O'Bannon has "getting creamed" on the issue of property reassessments by not only Tax Court Judge Thomas Fisher, but also by a half dozen newspaper editorial writers.

McIntosh must turn this race into a vision thing. He will attempt to contrast O'Bannon's list of aforementioned accomplishments with his plan for the future.

The Republican nominee will have to fend off an array of attacks by Democrats on his Congressional record, including votes on the environment and education, and a couple of other sensitivity issues, such as McIntosh being one of only seven House members to vote against the Oklahoma City memorial to bombing victims.

The Democrats are attempting to raise three other major issues - trust, the volatility of McIntosh, and his current high absentee voting rate in Congress. The current perception is that the Democrats are getting under McIntosh's skin over missed votes and the 500 parade fiasco.

The McIntosh campaign perceives O'Bannon as reactive, with little in the way of offered new policy directives. For McIntosh, this race will ultimately come down to a "past verses the future" equa-

tion. Whoever wins that battle by next November will likely win the election.

### What O'Bannon must do

The governor must mitigate any bad news over the fiscal year numbers. This is going to be complicated. During the Bayh-O'Bannon era, budget surpluses of \$1 to 2 billion were a badge of honor. A high budget surplus could give McIntosh enough room to say that not only is his property tax cut doable, but the state is taxing the people too much.

A lower surplus number probably means the personal property exemption is draining the state coffers, leaving the governor open to assault on the leadership issue.

O'Bannon must knock major holes in the McIntosh property tax cut plan - with credible sources. Just saying it can't be done isn't enough (Republicans tried that with Indianapolis Mayor Bart Peterson's 200 new cops initiatives, but now there will be 200 new cops). He must successfully emphasize that his plan for removing welfare from property tax roles will accomplish what McIntosh is trying to do with his 25 percent cut.

The critical question for O'Bannon is whether he can ward off GOP assaults on the whole reassessment tar baby. McIntosh is loaded up with editorials and Judge Fisher's opinion critical of the governor that he will use this fall.

O'Bannon said that education will continue to be his No. 1 priority, and will make the 86 percent GQE rate, the new community college system, and the tougher academic standards as reasons for earning a second term. The Democrats will try to exploit the divisions over ISTEP between McIntosh and Republican Supt. Suellen Reed, who has not endorsed the repeal of the testing program.

What happens in July could very well color the governor's race going into Labor Day and beyond. ❖

## TICKER T A P E

prices. "It's fine to meet with oil companies and get to the bottom of supply and pricing problems locally, but they still have not done enough," Lugar said. "The increasing price of oil is a foreign policy problem that shocks us every time we go to the gas pump. The President has diplomatic leverage with oil producing nations and he should use it. He needs to point out that the strength of the world economy is dependent on the strength of our economy and price-gouging by oil producers is threatening continued growth." U.S. Rep. Baron Hill also pressed President Clinton to act. "In the last couple of days, gas prices have hit the roof in Southern Indiana," Hill said. "A number of factors are responsible for the spike in prices. I believe the President should take immediate action to eliminate this burden on American families."

**SOUDER BACKS MCCAIN:** CD4 Republican Congressman Mark Souder thinks George W. Bush should pick Arizona Sen. John McCain as his running mate (Sylvia A. Smith, Fort Wayne Journal Gazette). Souder recognizes there is lingering bad blood between the two, stemming from their primary battles, but believes McCain gives Bush the best chance to win in November. Souder's

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advice has not been solicited by the Bush campaign.

**SOUTH BEND SAYS NO:** The developers of a horse racing track in the Marion County community of Lawrence think it would be good to have associated off-track betting sites around the state. South Bend was one of the sites suggested, but South Bend Common Council President Charlotte Pfeifer said the city is in no hurry to approve such a site. "Gambling is gambling," she said. "We took a strong stand against the casinos, so I don't see how we could make an exception" (The Associated Press).

**SOUDER BILL CLARIFIED:** Rep. Mark Souder is the author of a law that took effect this year that said college students with drug convictions are supposed to lose financial aid eligibility unless they go through rehabilitation and take a drug test. The House voted unanimously Monday to clarify that college students who were convicted of drug offenses in high school or during their younger years if they are adults are not disqualified from federally funded student loans (Sylvia A. Smith, Fort Wayne Journal Gazette).

**REPUBLICAN FILES IN HD66:** Beverly Hanner, who served two terms as both Jackson County recorder

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# PERHAPS... WE WANDER

By Brian Howey

## A Letter from Indianapolis by Howey appears in *Newsday*

Greetings from Indianapolis, the Prozac City. As you Easterners may not know, Eli Lilly, based in Indianapolis, has made the flat expanses of Hoosierdom the world capital of mood stabilization. But for followers of the state's 24-year-old NBA franchise, the Indiana Pacers, recent years have brought precious little in the way of emotional stability.

**Just last year**, the serotonin levels of my fellow Hoosiers and I swooned as we saw small forward - and the Pacers' postseason avatar - Reggie Miller go to Madison Square Garden and stink up the place with a 3-of-18 shooting performance in Game 6 of the Eastern Conference Finals. Miller's torrent of bricks came in the first year of the post-Jordan era, and the aging Pacers seemed to be destined to join the Buffalo Bills, Minnesota Vikings and Brooklyn Dodgers as legendary professional underachievers. But now, if you Knicks fans will forgive the expression: Hah! Look who's strutting in shades deep in La-La-Land today: yesterday's has-been, Reggie Miller, whose 34 points put the dagger into New York's never-say-die championship bid in this year's Game 6. Miller arguably overplayed his historic role as Knick slayer in the press this postseason, repeatedly professing not just his professional resentment, but outright hatred, of the Knicks.

But these sorts of outbursts don't make much of an impression on the typical Pacer fan. We approach the postseason, year in and year out, as a matter of geographic destiny. We believe that any championship basketball trophy that hasn't resided in Indiana for at least a year really is not properly certified or justified. This Hoosier residency requirement has claimed championship trophies from the

old ABA, the NCAA men's and women's, the NAIA and the NJCAA. From our perspective, the hapless NBA needs the Pacers more than we need the NBA. Despite Miller's vanishing act in the Garden last year - and a one-for-16 shooting performance against the Lakers last Wednesday night in Game 1 of the Finals - there is an abiding sentiment here that our Pacers can do little wrong. And the team rather emphatically seconds that emotion: Most Pacers take quite seriously the old sports-star mandate to "give back to the fans," a commitment symbolized here by Reggie Miller's own annual charity bowling tournament. The city views the team a bit like most doting Midwestern parents regard their politely reared kids: a collection of good guys who don't succumb to the temptations of drink, smoke and arrogance. The phrase "role model" is applied without the faintest trace of irony here. Miller has reiterated, on the brink of a free agency season, that he would prefer to play his entire career in Indianapolis, an increasingly rare attitude in today's foot-loose sports world.

**The tight Midwestern** symbiosis of team and city also became a reality when the Pacers needed a new fieldhouse to bolster their position as one of the smallest market teams in the NBA cartel. The city fathers built state-of-the-art Conseco Fieldhouse without any impact on the property tax rate. When the question of what could be done to replace the Pacers' former quarters in the functional but aging Market Square Arena, came before the Indiana General Assembly, Hoosier politicians quickly realized the pre-eminence of roundball to mere politics. Gov. Frank O'Bannon and the man he defeated in 1996 - Indianapolis' then-Mayor Stephen Goldsmith - put on a full-court lobbying effort and won the day in bipartisan fashion. It has been much the

same way for years, when it comes to our state's peculiar basketball passion. When the inventor of the game ventured into our Hoosier heartland in 1928 he was flabbergasted. Dr. James Naismith found himself among a throng of 15,000 watching the high school finals some 80 years ago at Hinkle Fieldhouse, Butler University's gleaming new basketball palace. "Basketball really had its origins in Indiana, which remains the center of the sport," Naismith would say.

It's still the center of the sport. Fourteen of the nation's 15 largest high school gyms are in Indiana. In 1992, some

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***We believe that any championship basketball trophy that hasn't resided in Indiana for at least a year really is not properly certified or justified.***

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41,000 people watched Damon Bailey and his team win the Indiana high school championship. The NCAA Finals are hosted here about once every three years. When IU finally decided to meekly discipline Hoosier Coach Bobby Knight last month, for choking a player in 1998, the decision was announced before a worldwide broadcast audience.

**While Knick fans** might have secretly been pulling for the Portland Trailblazers to win out West when the topic was still germane, a Pacer fan like myself really wanted Shaquille O'Neal and the Lakers. Just like we wanted Patrick Ewing and the Knicks instead of the Miami Heat. Our motto has long been "The bigger they come, the harder they fall." So bring us your tall, huddled masses assembled in an illegal defense and they will see the light in the twinkling eyes of Reggie, and hear the sounds of cords ripping 30 feet away, as well as the echo of the deflated, season's end groans of Gotham. While the NBA championship trophy has yet to be fully sanctioned, and the fact that Indiana has produced its own share of basketball giants and despots - Oscar Robertson, Larry Bird, Johnny Wooden, Gene Hackman and Bobby

Knight to name just a few - there is still a sense of restlessness on the prairie.

The biggest of the baddest, Michael Jordan, came to the Prozac City in June 1998 to play Game 6 of the Eastern Conference finals. With 8.5 seconds remaining and the Pacers up 92-89, the ball naturally inbounded to Jordan, who subsequently tripped and lost control. The definitive battle would be played in Chicago and Pacer fans heard the Great Scorer deep in the bowels of doomed Market Square softly say, "We're going to win Game 7."

**That's what makes** our hearts ache. It's not a towel-shrouded Spike Lee or jaded New York headline writers calling us hicks. It's not that the stock of Consec, the insurance goliath that supplies the name of the Pacers' new fieldhouse, is now trading at a manic-depressive \$6.50 a share. Or the fact that if Consec gets butchered by corporate raiders we might find our state-of-the-art arena named Orville Reddenbacher Fieldhouse or Nelson's Golden Glo Porta-Pit Fieldhouse. Or that Lilly will lose its exclusive Prozac marketing rights in a couple of years.

What matters now is unfinished business that, ultimately, is so vital to the integrity of the NBA. Goodbye, Knicks; hello, Lakers. The talk of the nation is that destiny has a four-and-out in store for Larry Bird's Indiana Pacers. Or a best-case-scenario 4-2 ego crusher on the Western continental shelf, something that was fathomable to Reggie Miller fans after his disappearance in Game 1 of this year's Finals.

But Hoosiers are optimists. We envision a not-so-distant Game 7 - late, so very late in the fourth quarter - with a two-point lead off a Reggie Miller bomb, a gesture of faith from Mark Jackson, and Shaquille O'Neal standing at the free throw line while a wincing Jack Nicholson stares forlornly at the courtside floor. That would be a Hoosier's grandest mid-summer night's dream. ❖

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and clerk, has filed for the Republican nomination in HD66. She faces Democrat Terry Goodin, superintendent of schools at Crothersville. Hanner ran unopposed for clerk in 1998.

**STATE STEEL INDUSTRY WARNED:** U.S. Steel Group President Paul Wilhelm says what happened to Big Steel in Pittsburgh in the '80s could happen to Northwest Indiana within the next 10 years (Clint Mitchell, Munster Times). Big Steel officials give Indiana less than 10 years "if city officials continue to use steel mills as a security blanket for their local economies and refuse to make significant changes in their tax code." They said Ohio could be the next Northwest Indiana.

**SHEAN HQ OPENED:** The District 60 campaign headquarters for John Shean, GOP candidate for state representative, was opened in Ellettsville Saturday with an endorsement from 8th CD Congressman John Hostettler. Shean said his campaign issues are education, taxes and job growth. His Democratic opponent is incumbent Peggy Welch. They have agreed to 10 debates before the November election.

**MISSION: IMPOSSIBLE?** Incumbent CD 1 Congress-

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man Pete Visclosky is considered to be a lock for re-election, but his opponent, Jack Reynolds, said he was called by God to clean up the gangs, prostitution and violence that plague Visclosky's district (Jason Thomas, Munster Times). The fact that Reynolds' home is in Spencer, in Owen County, 100 miles south of the 1st District, could make his task difficult. There are no residency rules for running for federal office. All a candidate has to do is file in the district in which he or she wishes to run.

**KEYES GETS VP VOTES:** The National Republican Senatorial Committee asked visitors to its web site to vote for the person they would like to see as George W. Bush's running mate. Alan Keyes, one-time presidential candidate and radio talk show host got 35 percent of the more than 10,000 votes cast. Second was retiring Ohio Rep. John R. Kasich with 26 percent. Elizabeth Dole received 11 percent.

**McINTOSH RIDES O'BANNON DEATH TAX:** U.S. Rep. David McIntosh is claiming that Gov. Frank O'Bannon is lacking leadership by failing to "urge Indiana's congressional delegation to support the repeal" of the death tax, which was passed by the U.S. House Monday. "While O'Bannon has con-

# Bayh embodies PNTR dilemma

By **MARK SCHOEFF Jr.**  
*The Howey Political Report*

WASHINGTON - Sen. Evan Bayh is a touchstone for the Democratic Party dilemma over a vote on a major trade agreement with China.

Last week Bayh came out in favor of granting permanent normal trade relations (PNTR) to China, an issue that has generated fierce opposition from organized labor and equally passionate support from business. On May 24, the House approved PNTR, 237-197. The final PNTR legislation did include a provision to monitor human rights in China and protect the United States from import surges. Observers estimate there are 60-70 Senate PNTR supporters. A vote is possible before the July 4 recess.

For Democrats like Bayh, supporting PNTR divides them from their labor base. On the other hand, increasing exports is vital to Hoosier auto parts, chemicals, industrial machinery and agricultural industries. Bayh tried to please both constituencies.

He stated his support for PNTR then went on to address the victims of the new global economy. "To make this agreement effective and fair, it is essential that our nation take additional steps: first, vigorous enforcement of the agreement to make ensure that China's commitments are kept; and, second, a comprehensive training, job placement, health care assistance, and pension reform initiative for U.S. workers adversely affected by globalization."

**The United States** would give China PNTR in return for China's lowering barriers to trade and investment for many U.S. industries. The agreement ensures U.S. backing for China's entry into the World Trade Organization, which sets the rules of global commerce.

In a speech at a Democratic Leadership Council event last week focusing on the new economy, Bayh outlined

an agenda that included improving early childhood and K-12 education, encouraging life-long learning, making college education more accessible, allowing pension portability, increasing retirement investment outside Social Security, and improving health care. "The answer to

## CONGRESS WATCH

their concerns is not to deny our nation the benefits of trade, but to

ensure that every American has the tools to compete and succeed in the new global marketplace. It is imperative that we bring as much energy to that cause as we do to enactment of PNTR. For only then will our nation be both more prosperous and just." Bayh did not indicate that PNTR should be linked legislatively to the program he outlined.

**The PNTR decision** was tough for Bayh. Like Vice President Al Gore, Bayh seemingly didn't want to make too much of the issue. Bayh held off on his decision until after the House vote. House rejection of PNTR would have obviated the need for Senate action. He also made his endorsement in a safe environment. He immediately left last week's DLC event after his speech and hasn't talked to reporters about PNTR since.

Bayh's low-key approach might reflect Democratic tensions. Reps. Tim Roemer (3rd CD), Baron Hill (9th CD) and Julia Carson (10th CD) voted for PNTR. Rep. Pete Visclosky voted against it. On the campaign trail, 8th CD Democratic nominee Paul Perry and 2nd CD nominee Robert Rock Jr. have both come out against PNTR. Republicans, too, were roiled. Reps. David McIntosh (2nd CD) and Ed Pease (7th CD) supported PNTR. Reps. Mark Souder (4th CD), Steve Buyer (5th CD), Dan Burton (6th CD), and John Hostettler (8th CD) opposed the measure. GOP Sen. Richard Lugar has long been a

staunch PNTR advocate.

Roemer helped the Clinton administration round up House PNTR votes, with the House New Democrat Coalition, which Roemer founded and co-chairs, generating much of the momentum. Hill also is a New Democrat. Bayh is a member of the Senate New Democrat Coalition, which was formed this year and has concentrated on education issues. "If you look at the growing gap between the haves and have nots in our society—those who've been threatened by the new economy and those who are benefiting most from the trend—it really is, more than anything else, an education gap, a skills gap, a knowledge gap," Bayh said.

**But one labor leader** isn't convinced. "It's not a very good approach," said Jerry Payne of the Indiana AFL-CIO. "We think it is going to cost hundreds of thousands of jobs. As you take away those jobs, you're taking away college education for their children. Particularly for our industrial workers, this is a bread-and-butter, blood-and-guts issue. We've created a government of corporations, by corporations and for corporations."

Bayh's ideas received a more generous review in the policy community. Gary Hufbauer, senior fellow at the

Institute for International Economics, said that the Clinton administration dropped the ball on a program like the one Bayh envisions. It's also difficult to implement due to congressional committee Balkanization on the issues. "What he's laying out is a big agenda that should have been done years ago, and only the president can do it. When the next president starts talking trade, (Bayh) has planted seeds."

**Bayh is being smart** politically, said Peter Morici, of the Economic Strategy Institute. "Coming out with this kind of position puts him squarely in Gore's camp, which I'm sure was part of his calculation." Bayh also is right to align himself with pro-trade Democrats. "Globalization is inexorable. A great deal of our prosperity is built on exports. Everybody's happy. That's one reason the unions weren't able to make much out of the House vote," Morici said.

Although Payne is upset with Democratic PNTR defectors and said that Roemer and Hill endorsements won't be decided for another couple weeks, he scoffed at the notion that anti-PNTR Republicans will gain labor support. "I don't believe our people will be voting for Mike Bailey," Payne said of Hill's challenger. ❖

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tacted the state's delegation on other issues, the governor has failed to demonstrate leadership on the death tax legislation," McIntosh said. "It's disappointing that the administration is failing to demonstrate leadership on such an important issue to Hoosier family farms and small businesses."

**PETERSON SAYS PACERS IN SIX:** Indianapolis Mayor Bart Peterson said that the Indiana Pacers will defeat the Los Angeles Lakers in six games. He bet two tickets to the 2001 Indianapolis 500 with LA Mayor Richard Riordan. If the Pacers win, Peterson will get two Grammy tickets (hey, what about the Oscars?). Gov. Frank O'Bannon offered California Gov. Gray Davis two tickets to the September Formula One race at the Indianapolis Motor Speedway and dinner for two at St. Elmo's Steakhouse in Indianapolis. Davis countered and said he would rather have Brown County applebutter instead.

**JOE WHO?** On Fox News Sunday, Tony Snow said that a reporter had asked Texas Gov. George W. Bush about Joe Andrew, the chairman of the Democratic National Party. Snow said Bush responded, "I don't know who Joe Andrew is. I'm sorry. I don't think I've ever heard of Joe Andrew." The

# Indiana 2000 Racing Form

## GOVERNOR, congressional races

**Governor: Republican:** U.S. Rep. David McIntosh. **Democrat:** Gov. Frank O'Bannon. **Libertarian:** Andrew Horning. **1996 Results:** O'Bannon 1,107,342, Goldsmith 997,505, Dillon 35,261. **2000 Forecast:** O'Bannon gets a feel-good bump out of the Democratic convention, with his address highlighting his accomplishments and re-establishing education as his top priority. McIntosh showed up on Lockerbie Street in Indianapolis on Monday to once again challenge Gov. Frank O'Bannon to debate him on taxes. He found the governor's "Thanks a Billion" banner hanging from the Victorian home of Bob Small, an aide. The home had been used in a 1996 O'Bannon TV ad promising property tax cuts. McIntosh said at the press conference, "O'Bannon was in this neighborhood four years ago promising Hoosiers that he would fix reassessment and provide a 12-percent property tax cut, but those were promises O'Bannon failed to deliver.

# HORSE R A C E

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former Indiana chairman responded, saying, "For a guy who says he wants to reach out to Democrats, you'd think that George W. Bush at least might know who the chair of the Democratic Party is."

**JOHNSON AIMS AT LUGAR:** Democrat Senate nominee David Johnson assailed Sen. Richard Lugar's vote against the Patients' Bill of Rights. "This is another example of Sen. Lugar being out of touch with the real needs of working families in Indiana," said Tim Shock, Johnson's campaign manager.

**POWER CUT IN HEN-DRICKS COUNTY:** In what could be a precursor to a long hot summer, the cities of Plainfield, Pittsboro, Danville and Avon were without power for several hours Tuesday afternoon, one of the hottest days of the year to date. Cinergy was trying to determine the cause of the outage.

**NEW HPR POLL NUMBERS:** Next week's HPR will have the latest TeleResearch polling numbers in the Indiana governor, U.S. Senate and the presidential race.



Hoosiers deserve straight talk about property taxes. I'm willing to do that, why isn't the governor? What does he have to hide?" The O'Bannon campaign has said that McIntosh needs to provide more details of his 25 percent guaranteed property tax cut and that the governor would debate in the fall. O'Bannon announced "450 new high-tech jobs" at Covance Inc., an Indianapolis drug development company. The governor will use such economic development plums to try an offset a recent report that showed the state was the only one in the union to lose high-tech jobs in the 1990s. **General Status:** *Leans O'Bannon.*

**Congressional District 2: Republican:** Mike Pence. **Democrat:** Robert Rock Jr. **Independent:** Bill Frazier. **Geography:** Muncie, Anderson, Richmond, Shelbyville, Columbus and East Central Indiana. **1994 Results:** McIntosh 93,592, Hogsett 78,241. **1996 Results:** McIntosh 122,288, Carmichael (D) 83,478, Zimmerman (L) 4,662. **1998 Results:** McIntosh (R) 99,584, Boles (D) 62,426, Federle (L) 2,236. **2000 Forecast:** Perhaps more than any other campaign, the June 30 FEC report from Rock will go a long way in determining whether the DCCC will throw in the resources. Rock's fundraising has lagged behind that of his counterparts in the 5th, 8th and 9th CDs. If Rock shows good numbers, that and the emergence of Frazier as an independent bugaboo against Pence could convince national Democrats to actively go after this open seat. Pence, meanwhile, is anticipating robust FEC numbers. **Status:** *Leans Pence.*

**Congressional District 5: Republican:** U.S. Rep. Steve Buyer. **Democrat:** Greg Goodnight. **Libertarian:** Scott Benson. **Geography:** Kokomo, Marion, Peru, Monticello, Lowell, Northern Indiana. 1994 results: Buyer 108,575, Beatty 43,619, Alfred (L) 3,328. **1996 Results:** Buyer 133,604, Clark (D) 67,125, Lehman (L) 5,255. **1998 Results:** Buyer (R) 101,567, Steele 58,504 (D), Waters (L) 2,317. **2000 Forecast:** Goodnight is in the field conducting a poll. **Status:** *Likely Buyer.*

**Congressional District 8: Republican:** U.S. Rep. John Hostettler. **Democrat:** Dr. Paul Perry. **Geography:** Evansville, Bloomington, Vincennes and SW Indiana. **1994 results:** Hostettler (R) 93,529, McCloskey (D) 84,857. **1996 Results:** Hostettler (R) 109,582, Weinzapfel (D) 106,134, Hager (L) 3,799. **1998 Results:** Hostettler (R) 92,227, Riecken (D) 81,381, Hager (L) 3,395. **2000 Forecast:** Ron Faucheux, editor of *Campaign & Elections* in Washington, D.C., believes that Hostettler is in real danger of losing this seat. The last FEC report showed Perry outraising Hostettler \$616,000 to \$301,000. Hostettler has had three close races. Bill Butterfield from Indiana Citizens for Life told the Indiana Right to Life rally at the Republican convention that Perry is "strongly pro-life" but added, "That doesn't mean we should sit back." Butterfield said, "If John Hostettler is defeated, Dick Gephardt sets the agenda and we can't have that." Perry told HPR that he is reaching out to Monroe County Democrats who supported John Hamilton in the primary. "We agree on 90 percent of the issues," Perry said of the more liberal IU Democrats. Perry expects the 8th CD to get much national attention and believes he will have the upper hand since the major issues will be health care related. One Democratic source said that Hostettler recently spoke to a business group in Evansville, read his entire speech, and did not appear to be well versed on health care issues. Hostettler voted with the majority to end the federal death tax. **Status:** *Tossup.*

**Congressional District 9: Republican:** Michael Bailey. **Democrat:** U.S. Rep. Baron Hill. **Geography:** Lawrenceburg, Rising Sun, Connersville, New Albany Jeffersonville, Madison, Nashville and SE Indiana. **1994 results:** Hamilton 91,459 (D), Leising (R) 84,315. **1996 Results:** Hamilton (D) 128,885, Leising (R) 97,747, Feeney (L) 2,315. **1998 Results:** Hill (D) 92,477, Leising (R) 87,278, Feeney (L) 2,397. **2000 Forecast:** Kevin Kellems sent out a letter stating that he would "cast a vote for every Republican candidate on the ballot." That might be as close to an endorsement that Bailey gets from him. Hill offered a substitute bill on the estate tax. "I understand how the estate tax can cause a lot of hardships for asset rich and cash poor family farms," Hill said, but called House Resolution 8 a bill "that endangers the government's ability to maintain a balanced budget and pay down the national debt." Hill said that HR8 "requires small businesses to wait 10 years for estate tax relief. Family farmers and small business operators need estate tax relief now, not 10 years from now." **Status:** *Safe Hill.*

- By Brian A. Howey ❖



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