

The Howey Political Report



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“QUOTE” OF THE WEEK

“If they want to antagonize me into running, a little more of this might do it.”

- OMB Director Mitch Daniels, on

Democratic criticism of his IPALCO stock sale

Republicans dodge the corporate bullet

Aug. 14 SEC deadline passes quietly

By **BRIAN A. HOWEY** in Indianapolis

Wednesday’s Securities and Exchange Commission’s deadline for 700 CEOs to certify their corporation’s earnings passed with a 95 percent compliance, few bombs, and Wall Street breathing easier.

So, too, are Hoosier Republicans such as Mike Pence, Chris Chocola, Brose McVey and Mike Sodrel. The fear was that a new wave of corporate scandals could engulf their candidacies with Democrats exploiting historic corporate links to the Republican Party. Relieved? “Absolutely,” said McVey campaign manager Tim Searcy. Through Thursday, the Securities and Exchange Commission said 675 of 695 companies met the Wednesday deadline, providing relief among investors who feared the filings would reveal fraud and accounting irregularities (*USA Today*).

Pence said last week that he “hoped” there would be no more scandals, saying, “If that event occurs, I think we’re in very good shape in restoring some confidence.”

Democratic consultant Chris Sautter disagreed, however, saying, “I think the issue of corporate responsibility will continue to have legs, in part because Bush and Cheney are in the position of having to lecture CEOs to do as they say, not as they did. The reforms still don’t address many issues, and some Democratic candidates will be pressing their Republican opponents on those issues.”

As of now, the year is trending Democrat, which is to say the issues going into the fall are primarily Democratic issues. “If the economy continues to slide, it could be another 1982 when Democrats picked up 26 seats in the House,” Sautter said. “But right now we are looking at a two-seat pickup in the House, with the Senate still a tossup.” ❖

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TOP REPUBLICANS BREAK WITH BUSH ON IRAQ:

Leading Republicans from Congress, the State Department and past administrations have begun to break ranks with President Bush over his administration's high-profile planning for war with Iraq, saying the administration has neither adequately prepared for military action nor made the case that it is needed (New York Times). The senior Republicans include former Secretary of State Henry A. Kissinger and Brent Scowcroft, the first President Bush's national security adviser. All say they favor the eventual removal of Saddam Hussein, but some say they are concerned that the president is proceeding in a way that risks alienating allies, creating greater instability in the Middle East, and harming long-term American interests. They add that the administration has not shown that Iraq poses an urgent threat to the United States. Scowcroft was quoted in the *Guardian* as saying the action could be the "Armageddon of the Middle East."

HOSTETTLER CRITICAL OF BUSH AFTER 911: U.S. Rep. John Hostettler criticized several of President Bush's post-attack initiatives, including withholding guns from cockpit pilots and cre-

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PERHAPS... WE WANDER

By Brian Howey

Toil and trouble in the Marion County GOP zoo

INDIANAPOLIS - Covering the mayoral race here in 1999, you could hear the air hiss out of the Republican ball through the early part of the fall. The rotting dynasty was tottering, Sue Anne Gilroy's campaign by committee was sending confused signals, while Bart Peterson stayed steadfast on message.

As a political writer, however, I *knew* the GOP gig was up when several Republican city-county councilmen showed up to a late October press conference wearing pig snouts on their faces, alleging that the Peterson Plan was "full of pork" (*get it?*). Councilor William Dowden even wore his pig snout upside down. It was a precursor to Sheriff Jack Cottey sending out a racially tinged mailer warning suburban voters that a mayor Peterson would force crime into the suburbs and that fire houses would be closed.

As we all know, Peterson would go on to smash the mayoral portion of the once vaunted Marion County Republican machine. The Democrats almost took the city-county council, with the Republicans keeping a miniscule 15-14 majority.

You'd think there would be lessons learned, but the month of August shows that not only have the Republicans not shown an acumen for learning from mistakes, they are repeating history.

A recent letter to the editor in the *Indianapolis Star* from Councilor Scott Schneider actually bragged about their snorty 1999 theatrics. "We even wore our pig noses at a press conference (indicating all the pork in the Peterson Plan) explaining that while it sounds good, adding 200 new police would be a budget buster," Schneider wrote.

Peterson released his 2003 budget, which tried to spread the IPD costs over the entire county with voters feeling virtu-

ally none of the crunch due to the Indiana General Assembly's property tax cuts. The Republican response was to wholly reject that plan, and instead "raid" (as Mayor Peterson put it) police and fire pensions. How smart is that in these, the Days of Enron & IPALCO? After finding no allies on the council, he pulled the plan, leaving Republican county officials with the need to plug a \$25 million deficit. Duh.

Then there were the jail releases so the county wouldn't violate U.S. Judge S. Hugh Dillin's population cap. The *Star* reported on Wednesday that a second released inmate had committed murder.

A *NUVO Newsweekly* cover story I wrote Feb. 3, 2000 ("A Systematic Breakdown in Justice"), extensively quoted Cottey, and Judges Patricia Gifford, Stephen Eicholtz and Cynthia Ayres pleading for the commencement of a dialogue over the urgent need for a new justice center. The judges said the 31 current courts needed to be more than doubled to 72. They and Cottey complained that the City-County Council had refused to raise the county option income tax to pay for security and justice. The article pointed out that Kansas City voters overwhelmingly passed a 2-cent tax that raises \$13 million annually (half of Marion County's total justice budget) to pay for drug courts and treatment options "We would be remiss if we didn't start the dialogue," Judge Gifford said in 2000.

Well, the elected authorities still haven't begun. Sheriff Cottey fired a department lieutenant for refusing to release Marion County crime figures (which, ironically, tended to back up his 1999 crime-to-the-suburbs assertions).

But the kicker ... *the real screaming yellow kicker* ... was Councilors Bob Massie and Dowden (sans pig snouts) sending out a press release last Friday accusing Indiana Black Expo forum attendees of being "thugs" and "gorillas." The statement said, in part, "It is patently ridiculous for public officials to capitulate

to the real gorillas and thugs -- those extremists who would use the horrible label 'racist' against anyone who doesn't do exactly what they want, when they want it."

By mid-week, Indiana Democrats were trying to draw blood. State Chairman Peter Manous noted the silence of Republican Chairman Jim Kittle and 7th CD nominee Brose McVey. "To direct such hate-filled language to the black citizens of Marion County and those who attended Indiana Black Expo is inexcusable," Manous charged. "Both Dowden and Massie have voiced regret for their statements. Mr. Kittle's silence on the issue is disturbing."

Unless Massie and Dowden resign, this has the makings for a political disaster for the GOP this year and in 2003. As if U.S. Rep. Julia Carson didn't need anything more than Frank Anderson's sheriff candidacy to motivate her GOTV this November, the "gorilla" quote is virtually guaranteed to bring out an enhanced turnout that would swamp not only Tom Schneider's sheriff campaign, but McVey's 7th CD candidacy. That would be the decisive crack in the GOP's county office stranglehold.

Dowden and Massie on the GOP ballot in 2003 will almost assuredly give the Democrats control of the council.

While Marion County Republican Chairman John Keeler tried to serve as a peacemaker, it was Secretary of State Sue Anne Gilroy who called a Statehouse news conference to demand an apology to the entire city from the pair. "Apologize or resign," Gilroy said. "There is no room in America for bigotry or racism."

Massie seemed chastened, saying he was now "sickened" by his use of the words "gorillas and thugs." Dowden apparently is sorry, but relatively mute.

But in this, the 21st Century, even extremists such as David Duke know better than to use such terms as "gorillas" and "thugs" to describe any ethnic group in the political arena. ❖

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ating the new Department of Homeland Security. "One thing you didn't see in the creation of the Department of Homeland Security is the FBI and CIA brought underneath it," Hostettler said in Warrick County (*Evansville Courier & Press*). "If you don't have good intelligence, then basically what you will do is you will react to a catastrophe, which is exactly what happened Sept. 11."

O'BANNON SAYS STATE VICTIM OF IDENTITY FRAUD: Gov. Frank O'Bannon tried to reassure current and former state employees yesterday that their pensions are safe, but he couldn't say whether a convicted felon hired to oversee retirement benefits had stolen any of their private information. O'Bannon said "no one's pension is in any kind of jeopardy" as a result of Walter Kevin Scott's nine-month stint as chief benefit officer of the Public Employee Retirement Fund (*Associated Press*). Scott, 35, resigned Wednesday after state officials learned he was convicted in 1996 of federal bank and mail fraud for stealing the identities and Social Security numbers of two people. He used their personal information to secure loans and lines of credit totaling \$35,510, according to documents in

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the U.S. District Court for the Southern District of Ohio. He served two months in a federal prison in Kentucky but the conviction did not turn up in Indiana's background check when the pension fund hired him because he had provided the Social Security number of a different Kevin Scott, a man without a criminal history. "There is no question the state of Indiana was the victim of identify fraud," O'Bannon said yesterday.

DISMAL INDIANA CROP HARVEST FORECAST: State agricultural officials issued a bleak forecast for the fall harvest Monday, projecting farm income losses as high as \$500 million this year, largely because of the parched summer (Beth Rosenberg, Associated Press). The figure includes income losses for both crops and live-stock. In releasing the annual crop forecast at the Indiana State Fair, agricultural statistician Ralph Gann said the corn crop was hurt badly by planting delays because of one of the state's wettest springs, then one of the driest summers on record. The planting delays caused some farmers to switch from corn to soybeans, or in some cases, abandon fields altogether. Gann said certain parts of the state were faring worse than others, with east and south-central por-

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Sen. Clark presents a leadership challenge

INDIANAPOLIS - Word that State Sen. Murray Clark is pondering a challenge to Senate President Pro Tempore Robert D. Garton, R-Columbus, prompted a scheduled coffee with HPR Publisher Brian Howey into a new, interesting direction Thursday morning at the Monon Coffee Co. in Broad Ripple. Here's our conversation:

HPR: Why challenge Sen. Garton?

Clark: I was contacted by some people and I've contacted others internally to take the temperature of my colleagues as to whether or not there should be a change in leadership. I think most people believe we must take up a higher profile for Republican leadership in this state in setting a long-range vision to what this state should look like in 20 or 30 years. I agree with that. I don't question whether our leadership is good people, but whether they are the right leadership to move us forward. That's the issue here. I think it's a healthy discussion to have among Senate Republicans.

HPR: I wrote after the 2001 legislative session that the process and the key players seemed tired. The same faces have been running the Senate for decades. We're seeing a change in House leadership, and in two years that will occur in the governor's office. Put the Senate into that context.

Clark: We will see a change in the Senate in that there will be a new caucus chairman (*replacing the retiring Sen. Potch Wheeler*). So it's particularly timely to discuss if there will be change in leadership. The Senate has gotten comfortable in its approach to government and governance and sometimes it's helpful to have a discussion of change to talk about whether things can be done in a different and better way; in another way. Indeed, I don't think there's been a change in leadership in the Senate since Jimmy Carter was

president. As a result, a lot of members of the Senate have not gone through this exercise. They're uncomfortable with it. I think there's a large amount of dissatisfaction with how we're doing things in the Senate.

HPR: What would you do differently as Senate President?

Clark: The Senate is not the only place where there ought to be substantial change in state government. I continue to say we need a change in the executive branch as well. We need a new way; a new mindset in state government. In the Senate in particular, I believe it is full of very capable, intelligent and excellent representatives who are there for all the right reasons. And I would seek out more of them to become leaders in this state, maybe in areas of their own expertise. If they are committee chairs, in the area of their committee's business. I would treat it more like a cabinet style of leadership so that we all participate in a free-flowing discussion on policy issues and long-term planning.

HPR: Senate power is concentrated in the hands of very few.

Clark: I think that's accurate.

HPR: Can you pull this off?

Clark: It's awfully early in that the election itself isn't for another two and a half months. But again, I'm starting with the position of trying to canvass members of the Senate as to their interest in a change of style and leadership in the Senate and if so, what they think the problems are and how they can best be remedied. My read of that is, not everybody I've talked with thinks that would be very healthy in the Senate. I haven't gotten far enough to count heads.

HPR: Do you perceive a communication problem with the public?

Clark: We have not done a very good job of communicating to the public

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about what we do; what our accomplishments are; what great people we have in the Senate. There's a kind of growing animosity with the media with Senate Republicans. I do not think that's a positive thing. The people of Indiana need to understand that Senate Republicans are hard-working people that are there for the right reasons. They are doing what they believe is right. That message, for the good of the institution; for the good of state government, ought to be delivered in a better way.

HPR: Is there a problem with communication between current Senate leadership and the rank and file of your caucus?

Clark: Yeah. In a sense, the Senate Republicans have become a dysfunctional family and communication is a part of that. That could be remedied in part by spreading the power through more members of the Senate and creating a more participatory style of leadership.

HPR: Sen. Borst says you are being motivated by "the gamers."

Clark: In terms of voting record in the Senate, I have the cleanest record. I have not voted for any expansion of gambling, unlike just about everybody else in the Senate. The people I understand he refers to has "gamers" constitute a number of people who could not get a Pro Tem elected. It's missing the point. There is true dissatisfaction on a large number of members in the direction the Senate is headed. I've gotten support from the most strident opponent of any form of gambling to those who have been proponents of gaming. So it really stretches across the spectrum.

HPR: A casual observer might say that Sens. Garton and Borst are coming off one of their greatest achievements, yet we know in the beginning they were not on board with tax restructuring. Put that into perspective.

Clark: You have to understand how we got to the point we were told it was an act of courage to vote for a bill that was essentially the biggest tax increase in the state. That is in 2001, we passed a budget

that was very problematic. It was \$500-\$700 million out of whack before the ink dried. Indicative of the dysfunctional nature of Senate Republicans, a majority of Senate Republicans voted for the budget, but the Senate Finance Chairman (Borst) voted against it. He opposed it. Then a year later we were in dire straits created by several elements. The forgotten element was how bad that 2001 budget really was. Sens. Borst and Garton started out by saying how a promulgation of a tax plan was too early and it went from there to it was an act of courage to vote for this bill; or if you didn't vote for it, you weren't courageous. It left a lot of people in a tough spot in 2001 and it left a lot of people in a very difficult position in 2002. People remember that.

HPR: Put this challenge into context with your plans for the 2004 gubernatorial race.

Clark: If I can prevail in the Senate race in November, then I'm going to be in the legislature for two more years anyway. I fully believe the state needs new leadership at all levels. It will bring an opportunity for those two years to make change and try to reveal my style of leadership and it will show all those who are paying attention that this is this guy's leadership; these are his ideas, and let them decide if it's a good style; good ideas with respect to cabinet style of leadership. Then in two years, if I am successful in 2004, any number of senators could step in and assume the pro tem position.

HPR: So you're in the governor's race no matter what?

Clark: This is not an exit strategy in the governor's race.

HPR: How would a change in leadership better prepare the Indiana GOP in 2004?

Clark: One of the things we've lost sight of in the Senate is working with other Republican groups, whether it be House Republicans, or the State Republican Committee. Past state chair

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tions of the state doing the worst and the west-central and northwestern counties doing the best. The forecast calls for a statewide average of 124 bushels of corn per acre, down from last year's record of 156 bushel of corn.

57 PERCENT BACK IRAQ INVASION: An ABC News/Washington Post poll of 1,023 adults, conducted over August 7-11 (+/- 3%), shows: 57% support "a US invasion of Iraq with ground troops"; 36% were opposed; 8% had no opinion.

WEINZAPFEL TO PROPOSE TAX AMNESTY: A state lawmaker plans to file legislation that would allow individuals and businesses to pay back taxes without interest, penalties or prosecution (Mike Smith, Associated Press). Rep. Jonathan Weinzapfel, D-Evansville, noted that Kentucky recently enacted a tax amnesty program and said one in Indiana could help shore up Indiana's budget deficit. He said officials estimate that more than \$600 million is owed the state from various sources, such as businesses that have not turned over collections from sales and employee withholding taxes and individuals who have not paid income taxes. "This is only appropriate in a time when we have a national recession and we

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are having some serious budget problems in the state," Weinzapfel said. "This is an opportunity for people to come forward and come clean on their taxes. It's a one-shot deal."

KITTLE CALLS FOR FSSA INVESTIGATION: Indiana Republican State Committee Chairman Jim Kittle Jr. called for an immediate investigation into recent performance by the Family and Social Services Administration and expressed his outrage over the death last month of five-year-old David Edwards III. Edwards' mother, who previously charged with child neglect, left him in the back of her pick-up truck in 90-degree heat for more than an hour. David died July 22 at Riverview Hospital in Noblesville. At the time of his death, his core body temperature was 108 degrees according to the Indianapolis Star. "It is absolutely unconscionable that this mother, who had been previously arrested for abusing one of her children in the past, was permitted to retain custody of her children," Kittle said. "Children cannot protect themselves – that is what FSSA should be doing – and it has failed miserably. The Governor needs to open a full-scale investigation of this matter. John Hamilton, secretary of the Family and Social Services Administration,

Clark, from page 5

men have tried to put House and Senate Republicans together and it's been to no avail. The public has become confused as to what the Republican Party in the state stands for. Many people I've talked to say, "You guys have been in power for 27 years: What have you done?" They say, "It's hard to tell the difference between the Republicans and the Democrats." Now is the time to draw a clear distinction between the Republicans and Democrats on ideals and performance. That's going to be an important thing in 2004. Senate Republicans can really lay the foundation for that. In the past several sessions, we have been the sole Republican voice. But we can do a better job of drawing the distinction on what we stand for and make it clear and do it together with the State Committee and House Republicans, mayors and county officials.

HPR: Are you on good terms with Brian Bosma, because he complains about a lack of communication with the Senate Republicans.

Clark: That's a legitimate complaint. Before him, Paul (Mannweiler) and Brian and I have always been open and

willing to forge a working relationship.

HPR: The Mitch Daniels factor seems to be hanging over the Republican governor's race. What's your take on that?

Clark: I don't know. I continue to try and do my thing and talk to people and put forward what I stand for. I will say this: I am absolutely convinced having spoken to all kinds of groups that people in this state want leaders who will say, "You may not like this, but here's what I stand for." That's what people are looking for. It may come down to a factor like that. Here's what I stand for on education or corrections. The leader who can do that may prevail, because Joe (Kernan) is going to have to run with the record this administration has. He's going to be a capable and formidable candidate.

HPR: Is the money being frozen until Mitch Daneils decides what to do?

Clark: It's a little hard to say why. This is not a good time to raise money for a gubernatorial race because there are 125 legislative races and nine congressional races. In every county you have high profile sheriff and prosecutor races. The market is down and the governor's race is two years away. ❖

Indiana 2002, 2004 Racing Form

Indiana Gubernatorial, Secretary of State

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris. **Democrat:** Lt. Gov. Joe Kernan. **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:** Lots of activity on this front. What should we make of Sen. Clark's possible challenge to Sen. Garton? Gutsy and audacious, which is a departure from the Senatorial Class of this field. It gives Clark a conspicuous platform to discuss the state of the GOP. If he pulls it off, he's a real force in 2004. Why would other GOP senators listen to him? Maybe because they know that Garton and Borst haven't really been too upset about the lack of a Republican governor over the last 14 years. Without one, true power rests with them, as Borst displayed in mercurial fashion last March and June. Clark's greatest obstacle is the fear of retribution by other, suppressed senators who mutter under their breaths about the barnacled leadership, but don't have the guts to stop whining and do something about it. What of Mitch Daniels? Democrats lambasted him over

the IPALCO stock sales, and Daniels responded in typically astute style, telling HPR he's been "slimed" and was ready to call Ghostbusters. It was a great comeback. Democrats clearly see him as Kernan's greatest threat, and Daniels is doing nothing to snuff the speculation. Some observers argue that President Bush wouldn't want Daniels to leave his side. But remember, Bush loved being governor of Texas, and would not only understand Daniels' decision to pursue it in Indiana, but would be willing to do everything he could to help him succeed. As for Democrats outing Daniels as a reformed Princeton pot smoker, who cares? We're glad he at least tried the stuff so he knows what it's all about. Kenley's quote about it "not being the time" to replace Garton only underscores his past missed opportunities to be bold and take decisive action. Miller and McIntosh have been relatively quiet and subterrean these recent weeks. Kernan? Republicans will try to make hay of the brewing PERF scandal, but a series of miscues and bloopers in 1999 and 2000 didn't scuff up O'Bannon much. We're not saying Kernan is coated in Teflon, but maybe the 2004 election ought to be about visions for the future, as opposed to the petty crap of the past. **Status:** *Leans D.*

Secretary of State 2002: Republican: Deputy Secretary of State Todd Rokita **Democrat:** Bloomington Mayor John Fernandez. **Libertarian:** Rebecca Sink-Burris. **1994 Results:** Gilroy (R) 902,100, Jeffers (D) 542,539, Dillon (L) 32,483, Knight (A) 13,948. **1998 Results:** Gilroy 828,557, Little (D) 652,565, Dillon (L) 51,775. **2002 Forecast:** Sen. Richard Lugar visited Indianapolis to shoot print, television and radio ads endorsing Rokita and the rest of the statewide ticket. Lugar is telling GOP partisans that the election will be won on GOTV strategies. **Status:** *Tossup.*

Indiana Congressional Races

Congressional District 2: Republican: Chris Chocola. **Democrat:** Jill Long Thompson. **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. **Websites:** www.jilllongthompson.com; www.chocolaforcongress.com **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** President Bush will be in South Bend on Sept. 5 for a Chocola fundraiser. Long Thompson and Chocola say they will meet in six debates in six different counties (Jack Colwell, *South Bend Tribune*). They expect at least one debate, in South Bend, to be televised live. We can't wait. **Status:** *Tossup.*

Congressional District 7: Republican: Brose McVey. **Democrat:** U.S. Rep. Julia Carson. **Libertarian:** Andy Horning. **Geography:** Indianapolis. **Media Market:** Indianapolis. **Websites:** www.juliacarson.house.gov; www.broseforcongress.org **2000 Results:** Carson (D) 91,300, Scott (R) 61,818, Ali (L) 2,513. **2002 Forecast:** Carson attacks McVey for wanting to "privatize Social Security." McVey promotes a plan to use Hoosier veterans for homeland security, with a Bush endorsement. At last week's Black Expo community forum, Carson had a McVey camera crew escorted from the premises. But didn't Carson have a crew staking out Gary Hofmeister in 1998? **Status:** *Leans Carson.*

Congressional District 8: Republican: U.S. Rep. John Hostettler. **Democrat:** Bryan Hartke. **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. **Websites:** www.bryanhartke.com; www.house.gov/hostettler/ **Media Market:** Evansville, Terre Haute, Indianapolis, Lafayette. **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 Results:** Hostettler 116,860, Perry (D) 100,461. **2002 Forecast:** OMB Director Mitch Daniels will go to Evansville Aug. 29 for a private reception. Former Vice President Dan Quayle is scheduled to visit Vincennes on Aug. 30. **Status:** *Likely Hostettler.*

- Brian A. Howey ❖

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has said that there will be a 'routine review' of the matter, but we are talking about the death of a child here, and a routine review is not good enough."

LUGAR HEADED TO RUS-SIA: Sen. Richard Lugar, R-Ind., hopes to become the first American to visit a Russian biological weapons facility that has not previously been opened to the West. Lugar leaves for a conference in London on U.S.-Russian relations and then will spend eight days touring weapons facilities in Russia. The trip is "part of ongoing efforts to get the Russians to be more forthcoming on their biological weapons program and begin the effort of securing and cleaning up those sites," Lugar spokesman Andy Fisher said. "This stuff is very deadly not only to the people nearby in Russia but potentially, with leakage by theft and other means to terrorists, to use as a terrorist weapon," he said.

90 PERCENT OF CANDI-DATES WILL HAVE WEB PRESENCE: Politicians are increasingly reaching voters online, according to the George Washington University's Institute for Politics, Democracy & the Internet (Washington Times). The Institute's director says that "in the 2002 election over 90 percent of major-party candidates will have

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Web sites, up from 69 percent in 2000. By the end of last year, more than 72 percent of Americans, or some 200 million of us, were online."

BAYH CALLS FOR REPEAL OF ESTATE TAXES: Democratic U.S. Sen. Evan Bayh made a sweep through East Central Indiana Wednesday, calling for the permanent repeal of estate taxes (Rick Yencer, Muncie Star Press). Bayh said taxpayers could save \$23 billion yearly in estate planning and life insurance policies to pay the tax burden. Instead of paying taxes, businesses could hire more people, buy new equipment and be more productive," Bayh said. ❖

COLUMNISTS ON INDIANA

Mike Leonard, *Bloomington Herald-Times* - No politician -- not even 8th District congressional back-bencher John Hostettler -- has been more roundly criticized in this column than Indiana's 6th District representative, Dan Burton. But today's the day I can take pleasure in saying that for once, Burton has latched onto an issue for which he deserves praise. Burton recently introduced legislation calling for the removal of J. Edgar Hoover's name from the FBI headquarters in Washington, D.C. Specifically, he is outraged, as all U.S. citizens should be outraged, at the results of an investigation of Hoover-sponsored FBI activity undertaken by the Committee on Government Reform, of which Burton is chairman. ❖

Jack Colwell, *South Bend Tribune* - A key to victory for either Republican congressional nominee Chris Chocola or Democratic congressional nominee Jill Long Thompson could well be how they come across to the voters in the vast middle ground, the independents and the people in both parties who prefer a moderate reach to the other side rather than a belligerent swing at the opposition. Each side will seek to portray the other as inflexible and extreme. Chocola already has cited some of Long Thompson's votes when she was in Congress and her appointment to a Clinton administration post in seeking to portray her as too liberal for the district. Democrats already have noted the appearances on Chocola's behalf by the three top Republican leaders in the House, citing that in portraying him as too much of a lock-step Republican for the district. Each must beware of the danger, however, of being too negative in trying to portray the opponent as too far out, either left or right. After all the TV spots have been run, both Chocola and Long Thompson could be hated by the middle ground, each

having demonized the other. Or maybe one will capture the middle ground, as Lugar does, or as Evan Bayh does on the Democratic side, and prevail more easily than forecast in all the toss-up predictions.

Lesley Stedman, *Louisville Courier-Journal* - Gov. Frank O'Bannon's slip-up at the celebration of the Indiana quarter's debut last week at the Indianapolis Motor Speedway may say as much about the state's economy as the dismal revenue figures released the day before. "I also want to thank the Indiana Department of Revenue, . . ." O'Bannon started to say, meaning the Indiana Department of Natural Resources. "Revenue," he said, laughing with the crowd. "I've got revenue on my mind." Unfortunately Indiana's revenue situation is no laughing matter. During July, the first month of the state's new fiscal year, Indiana received \$84.2 million less than projected, a shocking amount given a cigarette tax increase imposed by the legislature and governor to shore up the state budget. Lawmakers also made several changes in the state's tax structure that they hoped would quickly spur some economic development and stem the loss of corporate and individual income tax revenue. Instead, all three sources of revenue -- plus sales tax revenue -- fell short of projections last month: Individual income taxes were \$54 million -- or 18.6 percent -- below the forecast target. Sales tax collections were \$9.4 million -- or 2.8 percent -- below target. Corporate income tax collections were \$20.6 million -- or 62.2 percent -- below target. Cigarette tax revenue was \$19.1 million -- or 66 percent -- below target. Total revenue for July was 11 percent lower than projections that have already been revised downward to reflect the recession. ❖