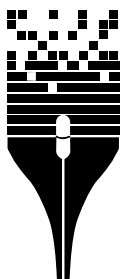


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“QUOTE” OF THE WEEK

“There’s no question that Michael Moore is a left-wing radical who wants to destroy this presidency, and he’s done it in a very effective way.”

- U.S. Rep. Dan Burton, to *WTHR-TV*

Negativity & issues fuel governor race

Daniels, Kernan trade perceptions

By **BRIAN A. HOWEY** in Rockville

On the last Friday of June, Indiana Democrats under the helm of new state Chairman Kip Tew began running a radio ad accusing the Republican gubernatorial candidate of “running a dishonest and negative campaign.”

“Gov. Kernan wearing women’s underwear on his head and being blown up by a bomb,” the ad noted. “The *Indianapolis Star* wrote that Joe Kernan deserves an apology. Tell Mitch Daniels that Hoosiers deserve better.”

Chairman Tew explained to the Associated Press, “They are running a hit-and-run campaign and we are going to answer. They come in, fire a shot, then run away and say, ‘It wasn’t me.’ You can’t drop a bomb and then go ask for the shrapnel back.”

From the public’s viewpoint, the Daniels campaign responded with a classic TV ad aimed at female voters. Featuring Daniels’ involvement in founding the inner city Indianapolis Oaks Academy, the ad begins with people describing the academy’s neighborhood as one of “hopelessness” where gunfire was heard and drugs were rampant, saying, “It was not a safe place for a child to be.” The ad explains that Daniels was instrumental in building the school. A school employee says, “If you want to know about Mitch Daniels’ character, look at this place.” She later says, “He has a servant’s heart.”

The timing of this exchange between the two campaigns was coincidental. Daniels had already made the buy for the TV ad, but it surfaced statewide on June 29.

Daniels campaign manager Bill Oesterle said that while the Democrats are trying to pull the Republicans into

INSIDE FEATURES

- Ticker: Kerry leads in new polling** p. 2
- HPR Forum: Sabato, Kernan, Daniels Meeks, Drozda to speak** p. 2
- HPR Interview: Bernie Toon** p. 4
- Horse Race: *Fahrenheit 911* impact** p. 6
- Columnists: Householder, Colwell** p. 9

TICKER

T A P E

DANIELS, KERNAN, MEEKS, DROZDA TO APPEAR AT HPR FORUM: Both Gov. Joe Kernan and Republican gubernatorial candidate Mitch Daniels have confirmed they will speak at the HPR Forum Series on Oct. 1. Kernan will appear at 11 a.m., followed by the keynote address by Dr. Larry Sabato of the University of Virginia's Center on Politics. Daniels will address the Forum at 1 p.m. Also confirmed for the panel "Power Realignment in the Indiana Senate" are Sens. Robert Meeks and Jeff Drozda. Watch later this month for more speaker confirmations and registration information.

KERRY LEADING IN THREE POLLS: In a CBS Poll taken on July 6 in a two-way race, 49% would vote for John Kerry and John Edwards; 44% would vote for George W. Bush and Dick Cheney; 2% wouldn't vote; 1% said it depends; 4% don't know. In an NBC poll taken July 6, 49% would vote for the ticket of John Kerry and John Edwards; 41% would vote for President Bush and Dick Cheney; 4% would vote for independent Ralph Nader and Peter Camejo. In a two-way race, 54% would vote for the Kerry-Edwards ticket; 43% would vote for the Bush-Cheney ticket. A new Zogby America poll of 1008

Continued on page 3

an outwardly negative campaign, "We plan to respond ... soft."

"It sure feels like a negative defense shield they are trying to put up: If you call Mitch negative enough, then that will mask our own negative activities," Oesterle said.

Daniels told HPR last Thursday, "They keep trying to bait me. That's not the way I want to win. We will show them respect whether that respect is returned or not."

Daniels said he believes that "most people won't know what they're talking about" when they accuse his campaign of running negative ads.

Kernan campaign manager Bernie Toon said in an *HPR Interview* (see pages 4-5) on Wednesday, "Both Mitch Daniels and Gov. Kernan have public records and they are fair game. Voters can make their own judgment. When you begin to distort that record, that's where you get into the problem."

It was a sentiment similar to what Oesterle expressed to HPR last month, saying that the campaign would rely on published reports. "That's pretty much our criteria. If you've got third party validation, this is about *I knows it when I sees it* kind of thing."

An example of what the Democrats view as distortion or negative campaign tactics came on June 17 when Gov. Kernan unveiled his small business initiative that included the creation of a small business advocate and a Department of Commerce certificate program for worker training. Daniels responded by saying the administration is only concentrating on big businesses and called the initiative "trivial," adding, "We have very large problems and this administration shoots BBs over and over" (*Evansville Courier & Press*). Wednesday's WTHR-TV report on Daniels one year in RV1 had the Republican reiterating the charge that Kernan is only concentrating on job creation with big corporations.

Gov. Kernan told HPR on

Wednesday morning, "We work with all Indiana companies. We are largely focused on our smaller companies because large companies are already engaged overseas."

Kernan said of small businesses, "We work with them on language issues, letters of credit, helping them attend trade shows all over the world. It's not just our large companies. Training dollars go to companies of all sizes as well as investments in infrastructure. Someone will have to explain that to me. It's consistent with their approach that nothing's right, everything is wrong."

The Daniels campaign has similar concerns. When Gov. Kernan unveiled his health care initiative in Evansville last week, he said he would research the idea of creating an insurance pool for small businesses that are getting killed by rapidly rising insurance premiums as well as to waive some of the mandates. "We can do this with no cost to the state," he said.

Daniels said that legislative Republicans have been trying to do just that for years. "His hometown colleague - (State Rep. Craig) Fry kills it every year," Daniels charged. "Give me a break."

Oesterle called it "disingenuous" because "it has always failed along party lines."

Asked about Chairman Fry's past history of rejecting similar health care reforms, Gov. Kernan promised an "aggressive" program in the 2005 legislative session. "We will pursue every legislation to put this into place." He said of Daniels' criticism, "I think that the approach you heard is consistent and defeatist because someone opposed something that may have looked like this in the past means that's the way it's going to be in the future."

Issues, campaign tactics and perceptions are in the eye of the beholder. Hoosiers have a history of rejecting negative campaigns. What will happen with these two remains to be seen.

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Another pass, but Bayh viable through 2024

By **BRIAN A. HOWEY**

INDIANAPOLIS - The selection of U.S. Sen. John Edwards to the Democratic ticket this week ends another flirtation of national ticket prominence for Indiana Sen. Evan Bayh.

Bayh was seen as a finalist for John Kerry's ticket by many pundits and observers. But Democratic sources say that while he was vetted by Jim Johnson, who headed up Kerry's search, they don't know where he placed when the final rounds were determined. It was clear that Bayh was on a short list in the final month, particularly when Johnson and Bayh were seen together, emerging from a Capitol Hill office during a fire alarm.

Appearing at the AME Convention at the Indianapolis Convention Center, Sen. Kerry told delegates of Edwards, "I've chosen a man who understands and defends the values of America."

Democratic sources said Kerry conducted his vice presidential search the right way, keeping it discreet. They said that Kerry was himself concerned over how 2000 nominee Al Gore handled the process than included the Massachusetts senator.

"I don't think Sen. Bayh was pushing for the vice presidential bid this year," said Al From, founder of the centrist Democratic Leadership Council, which Bayh chairs (*Times of Northwest Indiana*). Perhaps, but it was a position he certainly wouldn't have turned down.

Even though he approved of the process, on the eve of the selection, Bayh told the *Louisville Courier-Journal*, "I don't know. ... I don't think it will be me." On Tuesday, Bayh put out a press release saying that Edwards "personifies the American dream. From humble beginnings, he has accomplished tremendous success, both personally and politically. He has demonstrated a great ability to

motivate and excite Americans from all walks of life."

With Bayh remaining in Indiana as a U.S. senator with another landslide in the offing, where does this leave his career, which many have long believed included the dream of attaining the White House? At age 48, Bayh is still young by political norms. He could be viable presidential timber through the 2024 election.

There are all sorts of scenarios about the next three elections. If Kerry wins this year, it would be 2012 before Bayh would have a decent shot at the presidential nomination.

While Edwards now possesses veep status, that's hardly a White House deal break for Bayh. Just ask Joe Lieberman. If Kerry loses, Bayh will likely become part of a riveting field for an open White House in 2008 that might include Democrats Hillary Clinton, Lieberman, Howard Dean, Al Gore and Edwards, along with Republicans Dick Cheney, John McCain, Rudolph Guiliani, Jeb Bush and Dan Quayle.

As for Edwards' impact here in Indiana, where Kerry trailed Bush 52-36 percent in a June IMA poll by Bellwether Research, Republican Chairman Jim Kittle Jr. said he would make little difference here or in the South. But former Democratic chairman Robin Winston said that Edwards' addition to the ticket "makes Indiana a somewhat more competitive state."

Bush defeated Gore in Indiana by 334,000 votes in 2000. But Winston, an ally of Edwards, said that the GOP "will have to utilize resources here."

Winston said that when he attended Michael Moore's movie "*Fahrenheit 911*," he was struck by how many older voters were in the theater.

"Remember, older people vote," Winston said.

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TICKER T A P E

likely voters (+/- 3.1%), conducted July 6-7, finds: In two-way race, 48% would vote for Kerry-Edwards; 46% would vote for Bush-Cheney in a two-way matchup of the presidential tickets. In a one-on-one match up, Kerry leads Bush 46% to 44%, suggesting the addition of Edwards does not alter voters' impressions of the presidential race. In a three-way match up of presidential candidates, 47% would vote for Kerry; 45% would vote for Bush; 2% would vote for Ralph Nader. 49% approve of President Bush's job performance, up two points from the last survey. 43% believe President Bush deserves to be re-elected; 53% say it is time for someone new.

GAS PRICES SKYROCKET: After six consecutive weeks of falling gasoline prices, area gas stations Wednesday began posting prices as high as \$1.95, a 20-cent increase for many of the retailers (Elkhart Truth). The nationwide average gasoline price had dropped from \$2 in May to \$1.89 last week, a decrease that coincided with falling oil prices, according to the Department of Energy.

GENERAL ADMITS U.S. MILITARY STRETCHED TOO THIN: NBC Nightly News reported there was a candid

continued on page 4

TICKER

T A P E

admission by the Pentagon on the nation's ability to wage war. It's one thing to hear the media and analysts say U.S. forces are stretched too thin across the globe. It's quite another to hear a four-star general admit it. That's just what happened Wednesday in Washington, and it raises a lot of questions about what the US may be able to do." Gen. Richard Cody, Army Vice Chief of Staff said, "Are we stretched thin with our active Reserve component forces right now? Absolutely. We just did the largest move of the Army since World War II."

PENCE UPSET OVER GOP CONVENTION SPEAKERS: The Hill reports, "Some conservatives are displeased that centrist Republican governors, mayors and maverick senators who disagree with the party's conservative base on abortion and gay rights have been given some of the best prime-time speaking slots at the Republican National Convention in New York." Rep. Mike Pence said, "The real muscle in the party is not in the California governor's office but in the pro-family movement. I am astonished that in an election year that is routinely described as a 'base election' there will be no prime-time speakers who will give voice to the traditional moral values that bring millions of our voters to the

continued on page 5

Toon preparing to expose Daniels' record

INDIANAPOLIS - In late June, HPR interviewed Mitch Daniels' campaign manager Bill Oesterle to get his take on the gubernatorial race. Late Wednesday afternoon, Gov. Joe Kernan's campaign manager Bernie Toon sat down with HPR Publisher Brian A. Howey at the Starbucks on Monument Circle.

HPR: Give us an overview of where you believe the governor's race stands here at the brink of Hoosier county fair season.

Toon: The race has evolved at this point about where we would have expected. Very clearly both candidates have gone through the process of communicating with voters through the primary season, going through their conventions, and in the governor's case, he elected Kathy Davis to fill his own shoes because he had to get a governing team back together. Post-convention, both candidates have started to consolidate their bases and are going to start talking to voters through the course of the summer and talking with independent voters who haven't made up their minds yet.

HPR: Five of six published polls have been within the margin of error. Is that where you believe the race stands at this point?

Toon: I think so. Over the course of the last two or three months, both the Governor and Mitch Daniels have been on the high side of the margin of error. I think that's about where we are. We're looking at a dead even race with the undecideds in this race truly undecided.

HPR: The last poll we've seen by the Indiana Manufacturers Association has Gov. Kernan trailing 42-37. Some believe Daniels unfavs were low in that poll. Any comment?

Toon: No, not really. IMA polls traditionally have leaned Republican. My experience in seeing them in both con-

gressional races and other races they've polled in tend to lean slightly Republican so I really wasn't surprised by it. We think it's pretty much an even race at this point.

HPR: What does the governor have to do to pull this thing out?

Toon: What he has to do first and foremost is convince the folks who haven't made up their minds that his approach and his leadership style can take Indiana to the future. They want someone who can lead this state into the future.

They want a decisive leader. They want someone with good leadership qualities. They want someone they know will be rolling out of bed every morning working

as hard as he can to create jobs and to help the economic comeback that we're seeing.

HPR: Sixteen years ago we had a very qualified Lt. Gov. John Mutz who was defeated, in part because of

the emergence of Evan Bayh, but also because of the notion that the Republicans had been in power for 20 years and it was time for a change. How do you confront that notion?

Toon: The real way you confront that issue is to confront it very directly and confront it with your own unique approach to the job. Joe Kernan has shown that he is prepared to make his own kind of change and it's change that will really serve the state the best. He's getting his arms around the job, and increase the focus on job creation. He feels, I feel and a lot of people feel he's laid a very firm foundation for the economic comeback we're seeing during the recession years Indiana very uniquely. Those investments are now beginning to pay off. What he is going to communicate now is how he will be taking the state's economy into the next five or 10 years.

HPR: The two campaigns are really presenting opposite arguments of the glass half empty/half full. How do you

HPR

INTERVIEW

confront Daniels on the notion that it will take the new crew as he puts it to fully turn the state around?

Toon: In responding to that quite frankly, it was President Bush who said that pessimism never created a job. Gov. Kernan believes that. It is one thing he and George Bush would agree on. And it never puts anybody to work. The governor believes that in order to sell the state and everything it has to offer, which is a great deal, we really have to have an optimistic approach. Talking the state down, talking about the things that are not going well and frankly, exaggerating that in many cases is really not in the interest of the state and its workers. The glass half full/empty really presents a contrast of the two candidates approach in the problems, their approach to the job, and approach campaign strategy. So I think that's a very clear contrast. I think at the end of the day it will be the governor's approach that the voters will embrace.

HPR: Jim Kittle distributed the *Legacy of Neglect*. Shaw Friedman presented Democratic talking points at the convention. What's fair in your mind when it comes to weighing the policy record? A challenger is always going to attack the administration, as Evan Bayh did so effectively in 1988.

Toon: Anything that is part of the public record is clearly fair game. Contrasting the two documents you just mentioned, I don't think they were even on the same plain. The document that was distributed at the Democratic Convention was not authorized by the governor, either. In terms of what's fair, I think clearly a person who is a public official is fair. Both Mitch Daniels and Gov. Kernan have public records and they are fair game. Voters can make their own judgment. When you begin to distort that record, that's where you get into the problem. I realize the beauty of the lack thereof is in the eye of the beholder. Joe Kernan is in no way shape or form running from his record. No way.

HPR: Daniels described the gover-

nor's small business initiative as "shooting BBs." Is that an example of where you see a distortion?

Toon: Oh, sure. One of the key focuses this summer other than his travel is a series of policy speeches where he will be laying out plans in the coming legislative session and the coming four-year term should he be re-elected. We went through a primary season where the voters didn't know either of these candidates real well. Both have been telling their personal stories as to who they are. Now the governor clearly sees this as the second phase of the campaign and he will want to talk to the people about his ideas for the coming term -- education, health care and more.

HPR: How will you deal with the Daniels public record without coming off as negative?

Toon: We're going to talk about that record. Mitch Daniels has a record as OMB director, as a corporate board member, he has a record as an official at Eli Lilly. He considers those fair game when he touts his resume. The campaign will be talking about his record.

HPR: How do you finesse it so that it doesn't come off as mean-spirited.

Toon: The way you approach that is the way of any appeal to voters, which is the facts. Give the facts and contrast the facts with how you would approach the problem yourself.

HPR: Will the Indiana presidential race impact this one?

Toon: Indiana voters have shown they are willing to split their tickets. There are many voters in this state who are non-partisan, vote their minds and not to party affiliation. Clearly Indiana is a Republican state and it is more so in presidential years. There's no question about that. Gov. Kernan's going to make a very personal appeal to voters as to where he wants to go. That's where a lot of undecided voter's decisions lie.



TICKER

T A P E

polls."

KERNAN ANNOUNCES COLLEGE TASK FORCE: Gov. Joe Kernan today announced that he has appointed a 13-member task force to make policy recommendations aimed at ensuring college remains affordable for Hoosiers. "A college education should be and can be a realistic option for all Hoosiers," Kernan said. "Families, in particular, often face tough decisions when it comes to affording their kids' college education. We must make sure we are doing all we can to make those decisions easier, not only for them but for anyone who wants to earn a college degree." The governor added that access to a college education for all Hoosiers is important to the state's continued economic growth.

HELEN THOMAS CASTIGATES BUSH, PRESS: Hearst News Service columnist Helen Thomas has unambiguous feelings about the Bush administration (Indianapolis Star). "This government lies," she said Wednesday to editors, reporters and interns from The Indianapolis Star. As for the Bush administration's claims that Iraq had weapons of mass destruction, one of the key arguments for going to war against Saddam Hussein,

continued on page 6

TICKER

T A P E

Thomas had one word: "Baloney." "I think we have a government that absolutely is ignoring the truth and a press that is ignoring the truth," she said during a luncheon at the Downtown Radisson Hotel. The columnist said she thinks the press today is doing a terrible job covering the presidency -- worse than she ever has seen. "I really think that reporters for two, three months after 9/11 -- everyone was afraid to ask their question," Thomas said. "They would not ask any question that would appear to be unpatriotic."

TAX CONTROVERSY PICKS UP IN LAKE COUNTY: Two Lake County commissioners argued Wednesday that everyone from small homeowners to landlords deserve relief from steep property tax hikes. Commissioner Frances DuPey, D-Hammond, recast a routine commissioners' meeting into a forum to lobby for rental property owners who she said are being unfairly excluded from an installment plan now helping average homeowners. "Why are we not taking into consideration other people who own two or three buildings and don't get homestead credits or mortgage exemptions. They are suffering too," said DuPey, a landlord herself. She declined to disclose what rental properties she owns. She and

2004 Racing Form

TREND LINE: "*Fahrenheit 911*" is a virtually unprecedented element in a presidential race, a full frontal assault by Hollywood on a sitting president just months before re-election. It played to sold-out movie theatres in places such as Greenwood, Muncie, Bloomington and Fort Wayne. It will be out in DVD this fall, available for Block Buster rental.

What's our take? We were struck by the common ground Michael Moore, an unabashed liberal, occupies with conservative columnist Kevin Phillips in his book "*American Dynasty*." Both covered the Bush family's ties to the House of Saud and the bin Ladens and came to similar conclusions. How will this play with the electorate? It will galvanize the already united Democratic base. An *NBC News* poll released on Wednesday showed 87 percent of the Republicans will vote for President Bush and 87 percent of the Democrats will back U.S. Sen. John Kerry. So the nation is polarized. The critical impact of this movie will come with independents and swing voters, that narrow 10 percent band who will determine whether President Bush is re-elected. Therein lies the biggest worries for the White House, which soft-pedaled the flick while heavy-handed conservative activists tried to keep the movie from distribution. Bad move, baaaaad. If you tell Americans they shouldn't watch something ... they'll watch it. But the truly amazing aspect of the debut of "*Fahrenheit 911*" was the lack of polling in the presidential race following its record debut. We never got that snapshot, and thus its true impact remains hidden in the Kerry-Edwards ticket burst.

HORSE RACE

Indiana 2004 Gubernatorial, 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:** The Indiana Fraternal Order of Police endorsed Kernan on July 1. Indiana FOP President Tim Downs wrote: "I am pleased to inform you that the delegates, representing over 13,000 Indiana law enforcement officers, voted to endorse you in your bid to seek election to our state's highest office. As president of Indiana's largest and most recognized law enforcement organization, I stand ready to assist you and your staff throughout the coming months." Daniels celebrated a full year in RV1 on Wednesday and was seen eating ice cream in Greencastle. Today he visits a favorite of the Horse: Das Dutchman Essenhaus in Middlebury. "Mitch likes pie." his campaign says and the Essenhaus bakes 1,700 pies a day. The Indiana Manufacturers Association (IMA) poll (Bellwether Research, 600 likely, +/- 4%) has Daniels leading Kernan 42-37 percent. Daniels was viewed favorably by 50 percent and unfavorably by 12 percent. Kernan had 49 percent favorable and 23 percent unfavorable. Daniels' lead increased from a one-percent advantage in the IMA's last poll in March. The job news was not good for Gov. Kernan last week. Weil-McLain announced it was shutting down its Michigan City facility and 350 jobs. Burr Patterson & Auld announced it was being closed by its new owner, Herff Jones, and 25 jobs would be lost in Elwood. On the fiscal front, Indiana is still running a structural deficit of between \$700 million and \$1 billion, and owes almost \$800 million to local governments and school corporations. Gov. Kernan explained, "One, Indiana got hit hard over the course of the last several years. Two, that we have seen great progress in the last three months

that will be reflected in the June numbers as well and hopefully will have us over forecast for the last fiscal year, and we'll have more information month by month as we get ready for the next session, which will be the budget session" (WTHR-TV). "We are trying to see if we can figure out a way to make this work without a tax increase," said Sen. Robert Meeks, R-LaGrange (*Fort Wayne Journal Gazette*). To simply draw even, the state would need to find at least \$1.4 billion in additional money, Meeks said. "We are overdrawn." said Espich, ranking minority member on the House Ways and Means Committee. "We are, in fact, as a state, broke. It is unprecedented." State Budget Director Marilyn Schultz took issue with the "broke" term and said the state can still pay its bills. Daniels declared last week that it won't make a political issue of Gov. Joe Kernan's decision to stop the execution of Darnell Williams and commute his sentence to life without parole. Daniels spokesman Marc Lotter told the *Indianapolis Star* that Daniels "knows the governor made the decision in good conscience" (*Louisville Courier-Journal*). Lotter also told the *Star* that Daniels didn't know all the facts of the case and "trusts Kernan's judgment." Gov. Kernan's appearance in Anderson's Midnight Parade incurred opposition from Anderson Mayor Kevin Smith who insisted organizers stand by agreements made as to the planned order of the parade (Jim Bailey, *Anderson Herald-Bulletin*). Smith was slated to be first in the parade as the grand marshal until Kernan's entry. Then protocol was to place Kernan at the head of the parade. "I asked if he was coming as the governor or as a candidate," Mayor Smith said. "My question was never answered. The organizer as much as said, 'It doesn't matter to you.'" Here's a word of advice to Mayor Smith: pissing matches over parades are never worth it. Ask David McIntosh. In Linton, Gov. Kernan's car ran out of gas, literally, about a block before it ended. Kernan told HPR, "Me and five National Guard members pushed the car the rest of the way." **Status:** *Tossup.*

Indiana 2004 Congressional

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 and Democratic challenger Donnelly tentatively agreed Monday to four campaign debates, with a fifth meeting penciled in as a possibility. Democratic congressional candidate Joe Donnelly has called on Congress to authorize the re-importation of prescription drugs from licensed pharmacies in Canada, and criticized Republican incumbent Chocola for voting against the practice (James Wensits, *South Bend Tribune*). "Working families and all families deserve the opportunity to purchase their drugs from Canada and put the savings right in their pockets," Donnelly said. Chocola, R-Bristol, vigorously has defended his vote in favor of new Medicare legislation and his vote against the re-importation of drugs, which he has said he opposes because of safety concerns. In talks before local groups, Chocola has urged caution, citing problems with counterfeit drugs and saying that, "until the FDA can guarantee safety, we're taking huge risks." **Status:** *Leans Chocola.*

Congressional District 6: Republican: U.S. Rep. Mike Pence. **Democrat:** Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond, Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **People:** urban/rural 59/40%; median income \$39,002; poverty 9.7%; race: 93% white, 3.8% black, 1.3% Hispanic; blue/white collar 35/49%; **2000 Presidential:** Bush 58%, Gore 40%; **Cook Partisan Voting Index:** R+10; **2002 results:** Pence 118,436 (64%), Fox 63,871. **2002 Money:** Pence \$1.2m, Fox \$342,987. **2004 Outlook:** Fox

TICKER T A P E

Commissioner Gerry Scheub, D-Schererville, also proposed a moratorium on county government tax sales that would seize the homes of residents unable to make ballooned tax payments. "I already have vowed there will be no tax sale for any home as a result of the new tax reassessment," County Treasurer Peggy Holinga Katona said Wednesday afternoon. She said she is confident local banks will be reluctant to move against homeowners who aren't making tax payments through escrow accounts.

TERRELL STEPS DOWN AS DEMOCRATIC VICE CHAIR: Longtime Democratic Party activist Mary Lou Terrell has stepped down from her position as vice chairman of the state party (Vincennes Sun-Commercial). But Terrell, 69, vows to remain active and will be attending the party's national convention in Boston later this month. Terrell, who began her long service to the Democratic Party almost 50 years ago, stated she decided to step down after Joe Hogsett, the party's state chairman, was named to run for attorney general. "I decided to resign with Joe but I'll still be involved in their activities and they'll make me aware of what's going on," she said. "I think it's important that (new state party chairman Kip Tew) have an opportunity to

TICKER

T A P E

have a vice chair he's more acquainted with." Terrell has accepted a new position as deputy state chairman.

CHICAGO PUBLIC RADIO MAY EXPAND TO NORTHWEST INDIANA: Talks are ongoing to open a satellite office here by a nationally recognized public radio station (post-Tribune). Executives at WBEZ in Chicago are considering opening a bureau with one or two reporters that would serve Northwest Indiana — from Gary to LaPorte — with local programming. In fact, an advisory committee to the radio station is meeting in Chesterton next week where executives are expected to further outline their plans.

SKILLMAN TOURS LAFAYETTE: Mitch Daniels' running mate met Troy Houser, Craig Spray, Jeff Kemper and dozens of other potential voters during a daylong visit to Lafayette on Wednesday (Lafayette Journal & Courier). State Sen. Becky Skillman was chosen in mid-May by Daniels, the Republican Party governor nominee, to be the GOP lieutenant governor candidate in the November general election. The campaign against Democratic Gov. Joe Kernan and Lt. Gov. Kathy Davis had Skillman visiting with business officials, unemployed factory workers, farmers, county government employees and members of the Journal and

announced that Tony Hinrichs had been hired as campaign manager. "This is an exciting opportunity to increase participation in our representational democracy," Hinrichs stated. "With our Congresspersons being elected every two years, in many cases it has become just a merry-go-round of fundraising. Mel's campaign will easily be outspent 20 to 1. However, we plan a grassroots effort that allows the voters of the 6th District a real voice in the campaign and her Congressional tenure." **Status:** *Likely Pence*

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:** John Hostettler appeared briefly in Jefferson District Court on Wednesday to confirm the Aug. 10 trial date with Chief District Judge Donald E. Armstrong Jr. Hostettler was charged with carrying a concealed deadly weapon into the airport, a misdemeanor, on April 20. The charge has a maximum sentence of a year in jail and a \$500 fine. Hostettler's attorney, David Schuler, declined to comment after the hearing on Wednesday. Jennings says his campaign to unseat Hostettler has "caught fire" and is "really taking off. You just can't believe how well it's been going," he said before delivering the keynote address at this year's Knox County Democratic Party Jefferson/Jackson Day Dinner (Gayle Robbins, *Vincennes Sun-Commercial*). **Status:** *Tossup.* ❖

Indiana 2004 Legislative

Senate District 2: Republican: Open. **Democrat:** State Sen. Sam Smith Jr. Libertarian: Bruce Parisi **2000 Results:** Smith (D) 27,151. **2004 Forecast:** The Indiana Libertarian Party filed papers to nominate Bruce Parisi of Gary to oppose Smith, who was rocked by felony charges after an investigation into Build Indiana funds (*Post-Tribune*). Parisi, 36, is a financial analyst in Chicago and ran as the Libertarian candidate for state auditor in 2002. Smith was charged with seven felonies for his failure to file a state income tax return in 2000, including two counts of theft of sales tax, two counts of perjury and two counts of failure to remit sales tax from his business, Divinity Funeral Home. **Status:** *SAFE SMITH*

Senate District 36: Republican: Johnson County Council President Brent Waltz. **Democrat:** Terry Rice. **2000 Primary Results:** Borst 7,513. **2000 General Results:** Borst (R) 24,621, Reno (D) 12,120, Williamson (L) 1,026. **2004 Forecast:** Statehouse sources are saying that supporters of Borst are now vowing to vote for Rice and swing this seat over to the Democrats. This is a 70-percent GOP district and while there will likely be some sour grapes from the folks who don't know the meaning of the phrase "bowing out gracefully," such an upset in the general election with President Bush and Mitch Daniels on the ballot is just hard to fathom. **Status:** *SAFE WALTZ*

House District 13: Republican: Joe Hero. **Democrat:** State Rep. Chet Dobis. **2002 Results:** Dobis (D) 8,379, Azcona (R) 3,906. **2004 Forecast:** GOP maverick Joe Hero files as a Republican. Hero was instrumental in petitioning the state GOP to remove former Lake County Republican Chairman Roger Chiabai. Hero is vowing to make property taxes the big issue, but Dobis fended off a spirited challenge from Merrillville Councilman David Uzelac in the primary and **General Status:** *LIKELY DOBIS.*

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:** Micon signs a fiscal responsibility pledge and sent it to Basham, who agreed to sign the pledge. Micon criticized Basham for voicing support for the statewide combined sewer overflow mitigation effort (*Lafayette Journal & Courier*). **Status:** *TOSSUP.* ❖

COLUMNISTS ON INDIANA

Terry Householder, *Angola Herald - Republican* - I came away from viewing the new hit documentary "Fahrenheit 9/11" saddened and depressed. That's the way director Michael Moore wanted me to feel about our president, his policies and our country. In his talented but devious way, Moore raises questions about George W. Bush that will leave many viewers at the very least with an uneasy feeling about the man behind the desk in the Oval Office. Moore portrays Bush as a lazy simpleton, beholden to friends who bailed him out of failing business ventures. While I came away from the movie theater feeling down, my feelings were aimed at where we are as a country today. The climate of hate on both sides of the political spectrum is depressing. It has its roots in talk radio with the Clinton-haters and the Bush-bashers. Then it moved to cable television, then to the Internet. And now it's in the movie industry. I find it dispiriting that those on the left idolize people like Michael Moore and those on the right consider Rush Limbaugh an icon. Both are obnoxious, self-righteous entertainers who make money spewing animosity. ❖

Jack Colwell, *South Bend Tribune* - "Fahrenheit 9/11" is a powerful movie. Powerful propaganda, critics contend, savaging President Bush unfairly in a blatant political effort to defeat him. Powerful documentary, enthusiasts proclaim, telling the truth about an incompetent president who led us into an unnecessary and disastrous war. But this is not a movie review. No recommendation here on whether you should or shouldn't see the film. Nor will there be an evaluation of the political charges in the film in terms of whether they are compelling or cheap shots. There are some of both. Let's look instead at how the big box-office

success is further proof of the polarization of the electorate. More and more viewers and readers are not interested in objective news but instead want "news" with which they agree. They don't want it straight but with entertaining zinging of "slobs" on the other side who most certainly deserve belittling. Michael Moore's "Fahrenheit 9/11" lets folks on the left laugh at and reinforce their feelings of disgust for President Bush, Donald Rumsfeld and Dick Cheney. It's the same way folks on the right have listened to Rush Limbaugh and TV commentators of similar persuasion who drew laughter and reinforced disdain in attacking Bill and Hillary Clinton (even their daughter Chelsea) and other Democrats labeled leftist. Live by the sword; die by the sword. ❖

Gary Gerard, *Warsaw Times-Union* - I get the sense that everybody in this business gets painted with a broad brush of bias, and that's troubling. I don't think it's so much an issue with local news at small dailies like this one. I mean, it's hard to detect bias in coverage of the town council. But I watch network and cable news. I listen to National Public Radio every day. I read stories on the Associated Press wire and the Scripps Howard News Service. It is really easy for me to find examples of bias. Some of my liberal colleagues think I'm crazy - except, of course, when it comes to Fox News Channel. My liberal friends have no problem pointing out that Fox leans to the right. And I agree with them. Fox does lean to the right. But in the same breath they are able to say with great conviction - amid mountains of evidence to the contrary - that network news and CNN are completely fair and balanced. What nonsense. ❖

TICKER T A P E

Courier editorial board Wednesday. "I'm pleased to have this opportunity to travel the state and hear concerns," said Skillman, 53, who describes herself as "a conservative Republican who is pragmatic." After serving 16 years as an elected official in Lawrence County, the Bedford resident was elected to the Indiana Senate in 1992, where she has served the past 12 years. During a tour of the Lafayette Adult Resource Academy, Skillman met Houser, who spent 16 years at Globe Valve Corp. in Delphi until the faucet and plumbing parts manufacturer closed its doors last year. Now, Houser spends time at LARA on a daily basis, studying to prepare for his GED exam. "It's something I have to do to make myself better," he said. "Having a desire to learn is important," Skillman said. "There's a direct correlation between (illiteracy) and high unemployment figures." "I think our state is at a very crucial turning point. Mitch and I think there is untapped potential for economic development in agriculture," Skillman said. "We certainly want to make sure state government is a partner with agriculture, not a problem for agriculture."

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