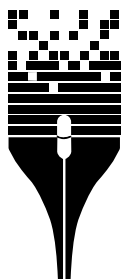


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# The Howey Political Report

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## “QUOTE” OF THE WEEK

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“I think I’d be more effective than most, but what does that mean?” - State Rep. B. Patrick Bauer, on pondering whether he should run for Congress where he’d be one of 435 members, to the South Bend Tribune

## Manous key in Lake County tax dilemma

Gov. O’Bannon will need his insights

By **BRIAN A. HOWEY** in Indianapolis

From Gov. Frank O’Bannon’s perspective, Peter Manous may possess the key to one of the toughest locks for Indiana Democrats in their drive to become the state’s majority party.

With tax restructuring a daunting public policy and with its impact on the state and Lake County potentially severe, O’Bannon reached out to the Merrillville attorney to follow the huge footsteps of Robin Winston and Joe Andrew. Winston will turn the party chairmanship over to Manous on Dec. 31 after prolonging Democratic gubernatorial rule to 16 years, retaining the Indiana House majority, and coming within about 500 votes of winning mayoralities in the state’s four largest cities.

**Lake County is a very complicated entity** when it comes to politics and the public policy aspects of tax restructuring. *HPR* asked the governor if he made the selection with the idea that Manous would help him understand and interpret what can be a very divisive situation up there?

O’Bannon responded, “Peter will always be a big asset from that standpoint. It’s a very, very strong reason that Peter is from Lake County and is very important (that he) has that leadership. He’s been one of our key fundraisers and has the connection with all the diverse groups of the Democratic Party that are so important.”

How restructuring is handled - if it is handled - is vital to the party’s success. Lake County contributed a 57,000 vote plurality to O’Bannon in 1996 and a 75,000 plurality in 2000. If reassessment goes into effect in 2003 without some type of relief to residents who could see property tax bills go

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# TICKER T A P E

**O'BANNON SEEKS MORE SPENDING CUTS:** An economic slowdown has resulted in the first dip in state revenues in 20 years, causing Gov. Frank O'Bannon to order spending cuts and to pledge to aggressively identify other ways to address the situation. O'Bannon and State Budget Director Betty Cockrum announced that the state ended FY01 with \$107 million less than the April forecast projected. The shortfall represents a 1 percent decline compared to FY00. It is the first time since 1980 that the state has experienced negative revenue figures. As of June 30, the general fund balance was \$19 million. "This disappointing news compounds the problems that I talked about in the spring," O'Bannon said. "The budget passed by the General Assembly for the biennium we began July 1 calls for more than \$500 million more spending per year than the state is projected to take in. It does not provide any way to make up that structural deficit. And the situation worsened recently with a court decision that will result in \$100 million more annual spending on Medicaid. For more than a year, I have called for fiscal restraint. When this administration learned of the underestimation of the cost of a personal property tax cut, I began vetoing

*Continued on page 3*



## Manous, from page 1

up by more than 200 percent, a Joe Kernan gubernatorial candidacy could pay a potentially severe price.

"The tax issue is going to be a big issue in Northwest Indiana," Manous said. "Obviously that county is very important to the Democratic party and how we work with the governor and the governor's staff on how we address the message as the governor works on a solution toward that problem is important. We'll work to keep all the officeholders informed. I'm sure I'll have interaction with the governor's staff on the policy side because having lived up there and understanding it, I'll be able to offer insights."

While Manous is considered part of the faction led by East Chicago Mayor Robert Pastrick - which automatically puts him at odds with Lake County Chairman Stephen Stiglich - one long-time Democratic operative told *HPR*, "Peter is a good negotiator. He's good at putting out brush fires. Tax restructuring will be a very difficult issue, a very volatile issue, and Peter will have a good grip on that. The Lake County challenges will be at the political forefront."

Manous inherits a Democratic Party thriving at historical highs. Winston handed Manous at Wednesday's press conference a CD-Rom with 4 million voter registrations and 2.1 million phone numbers. "There's no reason we can't win Lake County by 95,000," Winston quipped.

"That's a high bar," Manous replied. O'Bannon seemed to raise it even higher, saying, "He has the support of many people. We look to Peter Manous to take us to a new level." The room was packed with reporters and Democratic staffers, including Mary Downes representing Joe Kernan's gubernatorial campaign.

**Under Winston's leadership,** Indiana Democrats have raised \$10.3 million since 1999, compared to \$8.8 million from 1995 to 1997.

Winston said he and Manous had numerous conversations when the two were in the midst of transporting their young children to day care. "It seems like we always only had 10 minutes to talk," Winston said. "When I looked at the scales of life, my daughter always mattered more."

Asked if Winston was upset by *continued on page 5*

## DLC sees Indiana as centrist showcase

By **BRIAN A. HOWEY**

INDIANAPOLIS - After losing five out of six presidential elections between 1968 and 1988, South Bend native Al From decided it was time to modernize the Democratic Party.

As executive director of the Democratic Leadership Conference, and with the help of prominent leaders such as Bill Clinton and Al Gore, there were new definitions that reconnected the party with the legacies of Andrew Jackson, Franklin D. Roosevelt and John F. Kennedy.

They included equal opportunity for all; policies that reflect values (work, responsibility, faith, tolerance); a rekindling of civic responsibility; a reconnection of the party's historic global outlook that resulted in NAFTA and GATT; and finally, innovative government.

**From noted that** the big electoral divisions were quite evident. Parents with children voted Republican. Working mothers voted Republican. Pro life people voted Republican.

Despite all of his personal foibles, President Clinton took the DLC impetus and created eight years of prosperity that came within an eyelash of matching the 12-year Reagan-Bush domination.

"What are the six lessons from the Clinton years?" From asked rhetorically. "We had to be clearly for economic growth and not just redistribution. There were new Democratic positions on welfare, crime and the environment. There had to be big ideas and not just Big Brother; we had to differentiate. We had to be family friendly and Clinton conveyed that with issues like the V-chip and school uniforms. We had to promote a strong military. We had to talk without polarization about issues like gay rights."

From Sunday through Tuesday, the DLC's National Conversation will take place at the downtown Westin in Indianapolis where more than 300 of the

Democrats' most influential political figures will accentuate such issues. Featured will be the DLC Chair, U.S. Sen. Evan Bayh, Gov. Frank O'Bannon, Indianapolis Mayor Bart Peterson, Senate Majority Leader Tom Daschle, Maryland Lt. Gov. Kathleen Kennedy Townsend, U.S. Sens. Hillary Clinton and Joe Lieberman.

"Largely Republican Indiana is dominated by New Democrat elected officials," From observed. "We think the state and its leaders can serve as a model for the Democratic Party. This movement has played a vital role in modernizing the Democratic Party and reshaping American politics during the last decade."

**Bayh has long** stressed fiscal conservatism and was one of the first governors to receive federal welfare waivers. O'Bannon has pressed for school accountability and 500 new cops. Peterson broke a 32-year Republican lock on Indianapolis by calling for 200 new cops while his opponent tried to turn the crime issue into a matter of economics. Fort Wayne Mayor Graham Richard won a narrow election by positioning himself as an economic development facilitator.

While former GOP Chairman Al Hubbard complained that Hoosier Democrats had "stolen our ideas," Indiana Republicans have seen their leading candidates consistently lose the independent, moderate voters as they have made polarizing issues such as abortion and unfettered gun rights conspicuous litmus tests.

**From explained,** "Sen. Jeffords' defection is a classic example of a Republican Party that has moved too far to the right and they're paying a price. It was Bill Clinton that redefined the center."

That's a tough assessment for Indiana Republicans who find a national conversation in their face and, with Joe Andrew in charge of the 2004 Democratic convention site selection, possibly a future national convention in their dome. ❖

## TICKER T A P E

spending bills In April, I called for an increase in the cigarette tax that would have generated, over two years, about \$650 million to address the budget shortfall. But the legislature refused to consider it. I am willing to work with lawmakers to address this situation. In the meantime, I will do what I can with the tools available to me." On July 1, the State Budget Agency set aside 7 percent of all executive - branch operating budgets, saving \$50 million. The administration also will: Review contracted services and state grants; look at the state's staffing table and personnel costs; review state programs for possible suspension, cuts or elimination; consider implementing more fee increases.

**GOLDSMITH JOINS FIRM:** Lockheed Martin IMS, the nation's leading provider of technology-based services to state and local governments, announced former Indianapolis Mayor Stephen Goldsmith has joined the company as a senior vice president. Goldsmith will lead strategic initiatives and e-government efforts for IMS, utilizing 35 other senior managers and technical experts formerly employed by e-government firms Netgov and Carta, Inc. Also joining IMS is former Netgov President and CEO Mitch Roob.

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# TICKER

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**DENBO WILLING TO STUDY BEER ISSUE:** State Rep. Jerry Denbo, the incoming chairman of a legislative oversight committee, said that he's inclined to support giving brewers the right to distribute beer in exclusive territories. But he said he will study the issue more completely if asked to do so. Denbo, D-French Lick, said he has not been contacted by retailers concerned that the state's Alcohol and Tobacco Commission plans to let a 22-year ban on exclusive territories expire at the end of this year. "I don't have any problem with the (commission's) decision," said Denbo, who is expected to become chairman of the Administrative Rules Oversight Committee at its next meeting (Lesley Stedman, Louisville Courier-Journal).

**FBI, IRS ON BIF LEARNING CURVE:** Officials with the FBI and Internal Revenue Service have met with Senate Republican staff members to discuss the distribution of Build Indiana grants. The FBI and Marion County prosecutor's office recently said they would begin investigating the fund after published reports that at least \$40 million distributed by lawmakers had gone to non-profit groups. Kathleen Cash, chief legal counsel for Senate Republicans, met with federal investigators for several hours last Thursday. "At

*continued on page 5*

## Campaign finance stirs Indiana delegation

By MARK SCHOEFF JR.

WASHINGTON - During the campaign finance reform debate scheduled to begin in the House on Thursday, the Indiana delegation will offer a pastiche of positions -- those passionately in favor, those stridently opposed, and those firmly uncommitted who may tip the balance.

A close House vote is expected on the legislation, which would ban unlimited, or "soft money," contributions to national political parties and would restrict interest group broadcast advertising within 60 days of the election. Rep. Tim Roemer (D-3rd CD) has helped lead the drive for the main reform bill, which is named after its authors, Reps. Christopher Shays (R-Conn.) and Marty Meehan (D-Mass.). In an *HPR* interview earlier this year, Roemer warned that under current campaign finance rules, "the House of Representatives will become the House of Lords."

On the other side, freshman GOP Rep. Mike Pence (2nd CD) will oppose the Shays-Meehan bill, despite a personal entreaty from Sen. John McCain. McCain and Sen. Russell Feingold (D-Wis.) wrote a bill similar to Shays-Meehan that passed the Senate this spring. Pence rebuffed a June 20 letter from McCain that said Pence had promised to support McCain's reform measure during McCain's trip to Indiana in August to campaign for Pence.

"I do have a different recollection of our discussion regarding the McCain-Feingold bill," Pence wrote in a June 28 letter to McCain obtained by *HPR*. "I remain very concerned that this bill is an unconstitutional infringement of the First Amendment and has the potential to make voters even more frustrated and cynical."

Pence, who has \$200,000 currently on hand, told *HPR*, "I found the senator to be very enjoyable to be with and continue to believe that he is an American hero. I think he's got this piece of legislation wrong, and we're going to fight hard on

the House floor on Thursday to defeat it." An alternative campaign finance bill being written by the House GOP leaders would limit but not ban soft money and would not restrict interest group advertising.

### On the Fence

Roemer and Pence will have to appeal to Democratic Rep. Julia Carson (10th CD), if they want their side to carry the day. Carson is undecided on campaign finance reform and is a member of a key swing group, the Congressional Black Caucus. Like many liberal organizations, it fears that a ban on soft money would disproportionately impact Democrats, who

## CONGRESS WATCH

have traditionally raised more soft money than Republicans. "She's

looking at the bills. There's pressure from all sides," said a Carson aide. Members of the caucus often hail from poor urban and rural districts where "there's not a lot of money to raise," the aide said, referring to "hard money" contributions from individuals. "Hard money" limits would be increased under McCain-Feingold.

Another key Democratic swing vote is Rep. Baron Hill (D-9th CD). Hill, a conservative Democrat, voted in favor of Shays-Meehan when it passed the House by a wide margin in 1999. The measure then died in the Senate. But this time around, Hill is uncommitted.

"It depends on what comes to the floor," said Scott Downes, Hill's press secretary. "We haven't seen a final version of the bill, there are a lot of outstanding issues." Others in the delegation fall along the spectrum. Rep. Pete Visclosky (D-1st CD) is a Shays-Meehan cosponsor. GOP Reps. Steve Buyer (5th CD) and Brian Kerns (7th CD), a freshman, will likely oppose Shays-Meehan, but haven't made a decision on alternative measures. The

conference committee that will reconcile the House and Senate bills may be one of the most unpredictable ever.

## Challengers Size Up Reform

Hoosier congressional candidates split along the fault lines similar to those in Washington. Chris Chocola, a Bristol Republican who is running in the new 2nd CD seat that Roemer is relinquishing, opposes Shays-Meehan. "I have some serious concerns with the current legislation infringing on the Constitution," he said. "You can't ignore that or take it lightly. Campaign finance reform, as I understand it, only strengthens the advantage that incumbents have."

Democrat Jill Long Thompson, the former 4th CD representative who is running in the new 2nd CD, voted to abolish soft money in 1993. Last week, Thompson announced that she had raised \$100,000 in the federal campaign finance period ending June 30. Fundraising reform wouldn't necessarily curtail Thompson. "I don't think it will have any impact because this is a ban on soft money," said Chris Sautter, Long Thompson's media consultant.

Chocola has not announced his

fundraising total. He spent \$500,000 of his own money in his 2000 race against Roemer but doesn't know how much of his current campaign will be self-financed. "I've got to cross that bridge when I come to it. My goal is to go out and raise a sufficient amount of money to run a successful campaign." The 2nd CD, an open seat in a competitive district, is likely to be targeted by interest groups and the national parties.

Pence's opponent, Democrat Melina Ann Fox, strongly supports Shays-Meehan. "In the long run, everyone is going to benefit from leveling the playing field. My ancestors who fought in the Revolution wouldn't be pleased with the influence money has in our political process."

But Pence said he is upholding another tenet dear to the Founders, free speech, by opposing the interest group advertising limits in Shays-Meehan.

"I believe that the AFL-CIO or environmental groups have every right to criticize my record in the last two months of the campaign," said Pence. Of course, that means that National Right to Life and the National Rifle Association may criticize Fox during the same period. ❖

## Manous, from page 3

internal "bickering" in the party, he replied, "You must be thinking of the Republicans. I'm not unhappy about anything."

O'Bannon said he accepted Winston's resignation "with regret." He said that "I've requested the Central Committee to elect Peter Manous."

The central committee will meet in September to reorganize along new Congressional district lines. Historically the governor has the prerogative of choosing the chairman of his party and while there was some muffled dissent about the Manous selection from some quarters, his selection appears to be all but guaranteed.

Manous began his political career

on the 1980 presidential campaign of U.S. Sen. Edward Kennedy. In 1996 and 2000, Manous was the coordinator for O'Bannon's two successful gubernatorial campaigns and wrote many *Straight Talk* newsletters for the party. He also served as Northwest Indiana coordinator for Evan Bayh's 1998 Senate campaign.

"He's worked very closely with Robin," said party spokesman Doug Davidoff of Manous. "More closely than most people know."

Winston will go into a consulting business with Democratic political director Pat Terrell. Winston had served as the party's political director when he assumed the chair on March 20, 1999, the same day Joe Andrew became the Democratic national chair. ❖

# TICKER T A P E

this point, (the federal agents) are just trying to educate themselves about the process," Cash said (Associated Press). Prosecutors are drafting a response. "They have come into this knowing nothing about the legislative process in general, and certainly nothing about how this Build Indiana Fund works," Cash told The Times of Northwest Indiana. Cash said agents were particularly interested in two projects and organizations that received money from state Sen. Sam Smith Jr., D-East Chicago, and Rep. Vernon Smith, D-Gary. "They were pretty clear that what has gotten their attention is the Lake County stuff," she said. "They primarily mentioned the (Sam Smith) project. They're just trying to gather the facts." Sen. Sam Smith said, "What have we done wrong? We haven't done anything wrong. When the FBI comes up here to talk to us, we'll be here. We're not scared. We're not running. There's nothing to hide from or nothing to be afraid of." Agents were expected to meet this week with Senate Democratic fiscal experts and talk with State Budget Director Betty Cockrum.

**AGUILERA THREATENING TO CHALLENGE LEGISLATIVE MAPS:** State Rep. John Aguilera is still fuming over new legislative dis-

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tricts approved in April by the Indiana General Assembly and is renewing a threat to mount a legal challenge to the maps, which were designed by his fellow Democrats. Aguilera of East Chicago who represents the 12th District, claims the reconfigured districts, especially those for the 100-member House of Representatives, short-change Hispanics while protecting the political interests of the region's more influential African American lawmakers. "The big losers in this entire debate are not Republicans or Democrats," Aguilera said (Terry Burns, Times of Northwest Indiana). "It is the Hispanics of Indiana whose interests and desires to have a voice in state government are being shunted aside in favor of partisan politics. There wasn't enough consideration given the Hispanic community." State Rep. Chet Dobis speculated that Aguilera may be positioning himself to run for mayor of East Chicago in 2003. "I'm not really sure what John's objective is, but my advice to him as been that (a lawsuit) would be futile" and politically dangerous. If Aguilera persists, he added, "John will find out relatively quickly that he just didn't shoot himself in the foot, he shot himself in the head. This is suicide."

# Indiana 2002, 2004 Racing Form

**Governor 2004: Republican:** David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Randall Tobias, Paul Helmke, Eric Miller, George Witwer. **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:** Former Eli Lilly CEO **Randall Tobias** has acknowledged he is weighing a run. Said Republican Chairman Mike McDaniel, "He is seriously considering it." Tobias is the force from the business sector we've been hinting at for several months. He is in a position where he could finance much of his own campaign and certainly raise the \$10-\$15 million it would take to win. His biggest problem is that his name recognition is virtually nil. There are several questions Tobias must come to grips with. One is whether he wants to spend essentially the next 10 years of his life running for and being governor. He serves on a number of national and international corporate boards and has a Montana ranch where he loves to spend time. He is not a man who would naturally seek out the chicken dinner circuit and be satisfied with doing the grip n' grin, ribbon cutting type of stuff a gubernatorial candidate (and to some extent a governor) must do. He is also from the AT&T and Lilly corporate culture where a CEO holds huge sway and can have decisive impact as the minions scurry at the snap of the fingers. He would have to reconcile life in dealing with 150 undisciplined and often recalcitrant legislators who are in many situations unwilling to move in the same direction, as Tobias' friend Scott Jones recently discovered when he tried to forge through the extremely logical Daylight Saving Time legislation. Jones has discovered that dealing with the legislature means paying dues, developing long-term relationships, followed up by considerable stroking, ego massage along with an occasional elbow twist. There was wide speculation prior to the 1996 election about how Stephen Goldsmith would be able to survive a herding kittens mode in the legislature after five years of dealing with a compliant City-County Council. Having said that, Tobias is a fifth generation Hoosier (from Remington) who is appalled at the state's low rankings in key categories such as education and high tech development. That's why he's helping to fund the Phoenix Group and could emerge as its candidate. A possibility for someone like Tobias is what we call the James K. Polk Scenario: State very specific goals to be accomplished in one term, once elected spend four diligent years working to solve the hard issues, then turn the operation over to the young prince LG (who would do a lot of the chicken dinner/grip n' grin stuff) and ride off into the Montana sunset. Speaking of a "young prince," **Sen. Clark** was a prominent personality at a recent Phoenix Group fundraiser at the Stutz and might emerge as its candidate if Tobias takes a pass. **Sen. Kenley** is seriously considering the race and sources say he has spent the early part of the summer gauging where he stands with his own Hamilton County base. Finally, **David McIntosh** might find solace in the fact that Minnesota Gov. Jesse "The Body/The Mind" Ventura recently rammed through a 25 percent property tax cut, in part by moving education off local taxes and into the state's general fund. Ventura, an independent, accomplished it by playing off Democrats and Republicans against each other. **Status:** *Leans D.*

**Secretary of State 2002: Republican:** Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Luke Messer, Paul Helmke. **Democrat:** Bloomington Mayor John Fernandez. **Libertarian:** Paul Hager. **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:** Marion County Coroner John McGoff is preparing to enter the race. Republican sources tell *HPR* that Luke Messer may exit soon and could possibly take the Indiana Republican executive director position. Delph campaigned and registered voters at the 3rd Annual Hispanic Hoosiers Latino Expo. Key GOP sources say Delph has been energetically working the Lincoln Day circuit and is making good impressions. **Status:** *Tossup.*

**Congressional District 2: Republican:** Chris Chocola, State Sen. Thomas Weatherwax. **Democrat:** Jill Long Thompson, Mark Meissner, State Rep. Pat Bauer, State Sen.

# HORSE R A C E

William Alexa. **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. **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** Bauer is awaiting his poll results. "I'm not ruling it out and I'm not ruling it in," Bauer said of a 2nd CD run (Martin DeAgostino, *South Bend Tribune*). "I think I'd be more effective than most, but what does that mean?" Bauer has been stridently critical of Gov. O'Bannon's decision to freeze Build Indiana Funds and that continued dissatisfaction with both the O'Bannon administration and the legislative process, where he's spent 30 years of his life, makes us think that Bauer is seriously looking at life in DC. "I don't know what they're looking at," Bauer said of Build Indiana Funds. "Those were legal appropriations. If they think there's some entity that misspent it, that's where they should go. I don't know under what auspices they are doing this." Jill Long Thompson has raised more than \$100,000 (DeAgostino, *South Bend Tribune*). Long Thompson said the funding puts her well ahead of other Democratic candidates, who have not yet registered their campaign committees with the Federal Election Commission. In a news release, Long Thompson said, "I am very grateful that so many people have decided to support my candidacy. Reaching \$100,000 is an important milestone for my campaign, and I am very pleased to have raised this amount in such a short time period. This totally demonstrates there is broad support in my bid to represent Indiana's new 2nd District." Alexa has the support of former state Sen. Cleo Washington. "Bill Alexa was my mentor during my four years in the Senate," Washington said (Jason Callicoat, *South Bend Tribune*). "He is one of the most diligent and hard-working members of the Senate, and he has a bipartisan approach that I think he will take to Washington." **Status:** *Leans JLT.*

**Congressional District 3: Republican:** U.S. Rep. Mark Souder. **Democrat:**

Rodney Scott, Jay Rigdon. **Geography:** Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **2000 results:** Souder (R) 131,051, Foster (D) 74,492. **2002 Forecast:** Souder said the upcoming Bush administration decision on stem cell research has pro life Congressional Republicans in a virtual state of "meltdown" (Sylvia Smith, *Fort Wayne Journal Gazette*). Souder said he met with Karl Rove last week to urge the option of using adult stem cells for vital research. The *Journal Gazette* reported, "Souder spoke out Tuesday against production of the controversial play 'Corpus Christi' at Indiana University-Purdue University Fort Wayne, saying he finds it difficult to be 'enthusiastic' about supporting federal financial aid for the campus." The *Journal Gazette* adds, "Souder's comments came one day after Purdue University officials told Indianapolis attorney John Price that the school will proceed with the play. Price is suing on behalf of nine Fort Wayne residents. A dozen state legislators have signed on as plaintiffs in the case, though none from Fort Wayne." **Status:** *Safe R.*

**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. **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,07. **2002 Forecast:** Pence says he's raised \$300,000 since Jan. 1 and has more than \$200,000 in cash on hand. Pence also reported, "Just back from 10 district days...three town-halls, four parades, five civic speeches, one 2nd district Job Fair at Ball State University. whew!" **Status:** *Leans R.*

**Congressional District 8: Republican:** U.S. Rep. John Hostettler. **Democrat:**

Paul Perry. **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. **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:** District Democrats will meet this weekend let the candidate(s) strut their stuff and the race should begin developing shortly. **Status:** *Tossup.* ❖

# TICKER

## T A P E

**BENJAMIN FALLS FROM POWER:** In 1997, Lake County attorney Peter Benjamin was riding high. He led negotiations resulting in the State Tax Board rebating \$15 million to Lake County taxpayers. The city of Gary then hired him to do tax work fighting the amount of money the city was forced to pay for hospital care for the indigent. He also helped the county fight against tax reductions sought by U.S. Steel. Over 2½ years the county paid Benjamin \$438,551 for legal work, and in 1998 he was elected county auditor (Rich James, *Gary Post-Tribune*). Two weeks ago, after a trial by the Indiana Supreme Court Disciplinary Commission, Benjamin tendered his resignation from the Indiana bar and was evicted from his law offices for non-payment of \$40,000 in rent. There are 1½ years left on his term as auditor and there are rumblings that he should resign.

**83 PERCENT PASS GQE IN 2001; DOWN FROM A YEAR AGO:** A slightly lower percentage of this year's high school seniors passed the ISTEP-Plus graduation exam by commencement time, as compared to the class of 2000 (Associated Press). Eighty-three percent of Indiana's class of 2001 passed the graduation exam, compared to 86 percent for last year's senior class, the

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# TICKER T A P E

state Department of Education said.

**NEW VOTER LAW AIMS AT FRAUD:** Registering to vote in Indiana now will be done by the numbers. A law that became effective today requires new voters to provide an identifying number when they sign up to vote (Mike Dooley, Fort Wayne News-Sentinel). The number can be the same as the one on the person's driver's license or the last four digits of their Social Security number. In next May's primary election, each voter will have the law explained and be asked to write a voter's ID number on the poll book. Providing the number is voluntary.

**O'BANNON NAMES NICOL DEPUTY CHIEF OF STAFF:** Gov. Frank O'Bannon appointed J. Bryan Nicol to be his deputy chief of staff and Joyce Martin to be his chief counsel. Nicol now serves as deputy commissioner for highway operations in the Indiana Department of Transportation. Cheryl Reed, currently O'Bannon's director of research and planning, and Angela Belden, currently the governor's deputy press secretary, will lead the new Office of Communications and Planning. Andrew Stoner, currently the director of communications at the Indiana Family and Social Services Administration (FSSA,) will replace Belden as the governor's deputy press secretary. ❖

# COLUMNISTS ON INDIANA

**Sylvia Smith, Fort Wayne Journal Gazette** - President Bush is about to be tested in a way that will make the tax cut fight, the education bill tussle, the energy policy missteps and the stem cell decision seem like a night at the euchre table. The Bush administration must decide whether to go head-to-head with Congress over federal spending. The Washington Post reported that House members have asked for money to pay for 18,898 individual projects - from a few thousand dollars for a bike path to millions for military jets the Pentagon didn't request. If all the requests were approved (they won't be), the 2002 budget would increase by \$279 billion, nearly the size of the Defense Department's budget. The practice of asking for - and inserting - extra money in each of the 13 spending bills that proscribeS next year's federal budget is called "earmarking" and is nothing new. The wrinkle this year is that the tax cut included spending curbs, which are apparently being ignored. The irony is that for years, Republicans howled about spendthrift Democrats. Now that they're in charge, House Republicans are proving that trying to be popular at home by tapping into the federal money spigot is not a partisan foible. If voters don't like it, they have themselves to blame. Look at Rep. Mark Souder. This year, he asked for \$650 million for projects. ❖

**Mary Beth Schneider, Indianapolis Star** - Then there's those whose potential candidacies are still in the rumor stage -- Randall Tobias, retired CEO of Eli Lilly and Co., and Mitch Daniels, the former Lilly executive who now is President Bush's budget director. Tobias -- showing at least some political sensitivity by returning a reporter's call while fly-fishing in Montana -- said that while he's been approached by people encouraging him to run for governor, "I have no plans

to do that.' That Web site under construction -- [www.tobias2004.org](http://www.tobias2004.org) -- must have been reserved, along with other Web sites that don't have obvious political connotations, by folks in his office who handle that sort of thing and who had heard the rumors of a potential bid for governor, Tobias said. "It's nothing I had anything to do with," he said. While Tobias isn't launching a campaign -- not yet, anyway -- he is intensely interested in what Republicans need to do to end a four-election losing streak for the governor's office. ❖

**Jack Colwell, South Bend Tribune** - The book title is "*Divided We Stand: How Al Gore Beat George Bush and Lost the Presidency*." I rarely have written a column about a book. But this one merits attention and will be fascinating for anyone interested in the inside strategy of the presidential campaign and the personalities of the candidates. Don't get the impression the book is pro-Gore. Sure, it tells about how Gore beat Bush in the popular vote and maybe could have won a Florida recount if Katherine Harris and the U.S. Supreme Court had acted differently. But throughout is a theme of how Gore just can't come across as likable. There are accounts of Gore blowing a lead and probably the election by performing poorly in debates -- especially the first "sighs and lies" debate. Simon writes about that first debate disaster: "Gore foolishly believed his aides when they told him to be himself. What they really meant was: 'Be yourself, but much more likable.'" Nor is it pro-Bush. He comes across as likable but not prepared for the rigors of a presidential campaign and more at home talking about inside baseball than details of national issues. Bush, however, exceeds expectations in the debates, and (William) Daley, Gore's own campaign chairman, tells Simon, "I think most people would say we lost all three debates." ❖