

The Howey Political Report



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“QUOTE” OF THE WEEK

“We must all be conditioned to the fact that there will be higher taxes because the administration is absolutely insisting on it. I don’t think this legislature can go home without doing it ...” - Sen. Robert D. Garton, *Louisville Courier-Journal*

Souder-Helmke race comes to crossovers

Both eye Democrats as deciding factor

By **BRIAN A. HOWEY** in Fort Wayne

With the Congressional primary season down to less than two weeks, HPR believes only the 3rd CD Republican showdown between U.S. Rep. Mark Souder and former Fort Wayne Mayor Paul Helmke remains in doubt.

HPR believes Democrat Jill Long Thompson will prevail in the 2nd CD to set up a nationally monitored race with Chris Chocola; U.S. Rep. Steve Buyer will decisively defeat U.S. Rep. Brian Kerns in the new 4th CD; and 9th CD Republican Mike Sodrel should prevail and take on U.S. Rep. Baron Hill in another race with national implications this fall.

Much of this prognosis is based on typical conventional wisdom (i.e., who raised the most money). Souder, CW would suggest, with a \$217,763 to \$161,011 money advantage should join the Congressional class cut and make it into the autumn season.

On Wednesday afternoon, Souder was optimistic about his chances, saying that recent internal polling shows him ahead in Allen County, with the new counties of Elkhart and Kosciusko the problem spots. “In Elkhart, people are still expecting to vote for Chris Chocola,” Souder said.

But there is one significant unknown. “The only variable is the Democratic crossover,” Souder acknowledged.

Ohhhh, yeah, that Democratic crossover. It was the same element that was raised when Helmke declared his candidacy in February, only to be almost universally discounted by the prevailing pundits and political pros.

However, both Helmke and Souder and both Republican and Democratic party people see it as the

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BUSH APPROVAL AT 72 PERCENT: A Fox News/Opinion Dynamics poll of 900 registered voters, conducted over April 16-17 (+/- 3%), shows: 75% have a favorable opinion of George W. Bush; 19% have an unfavorable opinion; 6% can't say. 44% have a favorable opinion of Al Gore; 44% have an unfavorable opinion; 11% can't say; 1% haven't heard of Gore.

FIRE DAMAGES BAYH HOME: An apparent electrical fire damaged U.S. Sen. Evan Bayh's residence Wednesday night, forcing the Indiana Democrat and his family to flee to safety, his spokesman said. Bayh, his wife, Susan, and their twin 6-year-old sons escaped unharmed and no one else was injured, said spokesman Mark Kornblau. "Everyone is safe and sound. They got out in time," Kornblau said (Indianapolis Star). The fire at the two-story home on Washington's northwest side occurred about 9 p.m. EDT and appears to have been caused by an electrical problem. Kornblau said there is "definitely damage" to the home, although the scope of the damage was not clear Wednesday night.

EAST CHICAGO OFFICIALS SUBPOENAED IN CONCRETE SCHEME: At least five residents, including one



unknown factor. Souder told HPR that "multiple Democratic county chairmen" in and outside Allen County have signaled the party faithful to go ahead and cross over. "In at least Kosciusko, Noble and Allen counties, prominent Democrats have been involved in fundraisers for Paul," Souder said. "Democrats litter his contributor list. The National Education Association endorsed him and gave him \$5,000. He received a postal union endorsement. The League of Conservation Voters gave him money and I've never seen them get involved until the fall."

Helmke is officially characterizing himself as "still the underdog."

But when it comes to Democrats helping him out, the three-term Fort Wayne mayor told HPR, "A lot of people are telling me they're going to vote Republican for the first time. I'm not only hearing that in Allen County, but in other counties. It may be the first time ever for many of these people to cross over."

The logic here is that many Democrats find Souder too far to the right. Knowing that the reconstituted 3rd CD will likely never elect a Democrat, supporting the more moderate Helmke

could be their one chance in the next decade to tag Souder with a defeat.

What adds to the volatility is that primary turnout is expected to be very light. "When I ran for U.S. Senate in 1998, Allen County cast 24,000 Republican ballots in the primary," Helmke said. "In the generic Republican voting in the fall, (Clerk of Courts) Brian Bishop got 44,000 votes. That's 20,000 Republicans that didn't even show up."

Souder is hoping that any type or organized efforts by Helmke to lure Democratic support will prompt a backlash. "Everything that has happened suggests an organized effort, but that is causing an incredible backlash. It isn't hidden."

Souder noted that the "liberal" *Fort Wayne Journal Gazette* has endorsed Helmke, with all its owners donating to the Helmke campaign. "In their endorsement they pointed to all the wrong things on taxes and guns," Souder said. "People know its a liberal newspaper. And people know he went to school with Bill and Hillary Clinton, supported the Clinton stimulus package, supported the Brady Bill and that he was Clinton's favorite

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mayor. When the Democrats started endorsing him, Republican precinct people are starting to say, 'This isn't how this is supposed to work.' If you're a political person, it's really a fundamental point. They feel there is an importance of each party picking their own nominees. They're upset about it."

However, Souder notes that not every Democrat is automatically a Helmke vote. "I could pick up some pro-life Democrats," he said.

Helmke takes comfort in the words of new Indiana Republican Chairman Jim Kittle, who said he wanted to appeal to the 80 percent of the voting public who make up the conservative and moderate voting blocs. "We need to be reaching out to new voters," Helmke said. "They could be a factor."

As for Souder's efforts to portray him as a flaming liberal, Helmke believes it will backfire. "He's spent his whole campaign painting me as a liberal and attacking everything I've done in the past 30 years," he said.

Helmke pointed to the gun issue, the subject of one Souder radio ad. "My response has been, I do support the 2nd Amendment. But as mayor, I wanted to keep guns out of the hands of the bad guys without hurting the good guys. I've talked to a lot of NRA people and gun owners. They've told me that the Brady Bill hasn't been that bad."

Different than 1980

This isn't the first time that Helmke has run to the left of a congressional opponent. In 1980, he was defeated by Dan Coats. "Coats put together a very effective campaign. There were a lot of similarities between Dan Coats and Dan Quayle. A lot of folks felt Coats was Dan Quayle Jr.," Helmke said. "This strikes me as a completely different dynamic. Souder, in my view, doesn't generate the level of enthusiasm and warmth as Coats did. He's not warm and fuzzy.

"I come into this with a track record with 12 years as mayor. I have high name ID. In 1980, it was the Helmke name. Now it's Paul Helmke. The other issue was that in 1980, there was a real throw the Democrats out; throw Jimmy Carter out. Here, we've got a Republican president and a Republican Congress. This one comes down to who's best going to work for us nationally and in the district."

Helmke said he's found some resonance in charging that Souder hasn't brought back money from Washington. "People agree with that," Helmke said. "The economy is in bad shape."

Down the homestretch

While the Helmke-Souder showdown has been active, intense and contrasting, Souder notes the campaign has been "frank. While we're hammering each other, there's a civility to the debate. We respect each other. We like each other. He's just a liberal and I'm not. He wants to reposition himself."

Souder said that if Helmke "goes negative" at the end of the campaign, "you'll know he's gone. A negative campaign at the end means it's a doomed campaign. In 1994, I ran negative ads at Jill Long, but ended it positive."

Souder contrasted the "look" both candidates have brought to the race. "My TV is talking rural and he has the big city look." In the end, it may come down to how many Democrats Helmke can pull out of Fort Wayne to pull off his upset.

3rd CD Facts:

Debates: 10:30 a.m. Friday at Bishop Luers HS and noon Friday with the Republican Women.

Endorsements: Both the *Fort Wayne Journal Gazette* and the *Fort Wayne News-Sentinel* endorsed Souder. So did the Indiana Farm Bureau.

Horse Race Status: *Leans Souder.*



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city councilman, have been subpoenaed by a federal grand jury looking into a concrete replacement program linked to the heated 1999 mayoral primary, sources close to the investigation said Monday. U.S. District Court in South Bend has ordered the five named in the subpoenas to appear by May 9. They are being asked to provide fingerprints, palm prints and photographs, according to a copy of a subpoena provided to the Gary Post-Tribune. A subpoena does not allege wrongdoing, but is a means to gather information. Those subpoenaed to testify are often not the specific target of a grand jury investigation. Those subpoenaed to testify include City Councilman Randall Artis, D-3rd, his brother Terrance Artis, Roosevelt Howard, a city police officer, and Democratic precinct committeemen Drake Morris and Ezell Foster. According to the audit, the city began a sidewalk and curb replacement program in 1999 at a cost of \$13.8 million. Some have charged the improvements were done to pad support for Mayor Robert Pastrick, who was facing a stiff challenge from county Democratic Chairman Stephen Stiglich.

CRAYCRAFT OUTRAISES DIXON: Sen. Allie Craycraft, D-Selma, and Rep. Jack

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Lutz, R-Anderson, raised thousands of dollars from PACs during the past year. Craycraft, challenged for Senate District 26 seat in the May 7 Democratic primary by Leon Dixon, a former Muncie School Board member, found his PAC support in organized labor, health care and cash advance businesses (Rick Yencer, Muncie Star Press). According to campaign finance reports for the period ending April 12, Craycraft raised \$34,832 during 2001-02, mainly from a 2002 golf outing and other individual contributions. Dixon reported no fund-raising and a \$4,000 loan from his wife, Jan.

LUTZ HOLDS MONEY ADVANTAGE OVER STEEL IN HD 35: State Rep. Jack Lutz raised \$46,333 since last year, mainly from fundraisers and PACs in HD35. The PAC representing the Indiana Chamber of Commerce is expected to give the veteran lawmaker \$7,500 by primary election day. Republican challenger Brad Steele raised \$25,906, mainly from Delaware County individuals for the House District 35 race. "My opponent has received a lion's share of his money from big city lobbyists who are content with the status quo," Steele said (Yencer, Muncie Star Press).

ARI FLEISHER TO MARRY HOOSIER: Lloyd Grove

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Kernan prepares to push tax plans

MUNCIE - After Lt. Gov. Joe Kernan made his fourth stop here as part of a statewide media blitz before the Indiana General Assembly's May 14 special session, HPR's Brian A. Howey and WISH-TV's Jim Shella conducted this interview Wednesday morning.

Shella: You're here in Muncie and the governor is in South Bend today. Can you tell me what the strategy is? Or is there is a strategy?

Kernan: The strategy is to get out across the state and make people aware of the problem and to work to protect homeowners, job creation and economic growth here in Indiana.

Shella: Is there lacking awareness?

Kernan: This is tough stuff. It's very complicated. Like this morning, Kevin Brinegar and I talked for more than an hour. We could have talked all day long. The issues are very complex and it is tough, particularly when a lot of folks are going to be affected directly, whether it's by cuts that have already been made, increases in property bills, or recognize what the impact is going to be.

Shella: So there's a need for you to get out and do this sort of thing?

Kernan: I think so. As I said when I was driving up here this morning. It seems like this is all I've been talking about for the past year.

Howey: Where is the starting point for the special session? The governor said last week that it would be the Bauer plan. On Monday, he indicated the administration would have a plan if there was no compromise by May 14. Your plan was based on a solid economic model. Why not start there? How has that evolved?

Kernan: The last conference report that was on the table chronologically makes the most sense as the place to start because it was the last thing proposed and it was part of the evolution of the plans that came out of the legislative process. The governor was looking for a way to jumpstart the discussions between mem-

bers of the General Assembly to try and find common ground for an agreement. On the second point, what the governor has said and I have said is that it is preferable for the General Assembly to arrive at an agreement that can pass both the House and the Senate before we convene on May 14. But in the absence of that happening, we will be prepared to propose a plan that would take into account all of the discussions that have happened since Oct. 18 of last year and try to put something down that we would hope could garner support

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in the House and the Senate.

Howey:

Your plan was crafted with people

from both parties. It did take some flak over the franchise tax and the graduated income tax. If the legislature can't compromise, could you see dusting off your plan as a starting point?

Kernan: We learned a lot by the discussion that has taken place since Oct. 18 on the restructuring side. A lot of ideas were proposed from the different ways of looking at the franchise tax, to a payroll tax to any of a variety of things that were parts of different plans and discussions. We would recognize that there are some good ideas that have come out from those discussions and would anticipate putting some of those things into whatever is the final product. But, again, I go back to our hope that leadership in both houses will arrive to the same conclusion.

Howey: The governor doesn't seem to have good relations with the legislature, and this is something that has been coming out since Mary Beth Schneider's stories last August. Many legislators feel your stock is very high there. What role will you be playing in the special session?

Kernan: I will be doing whatever I can to help. This is something that I believe very strongly in; the governor

believes very strongly in. We will continue to work with members of the General Assembly in whatever ways are appropriate to, hopefully, arrive at a conclusion that will push the goals I think we all share.

Howey: Is there a concern that your 2004 candidacy will politicize a process that has already been politicized? Why doesn't the administration use you as the point man, whether it's twisting elbows or processing a compromise?

Kernan: I would just go back to saying I will be doing whatever makes sense to getting the job done. In some cases that can be not talking to somebody (laughs), it might be more helpful to the goal than talking with somebody. We'll wait and see how things unfold. I will do whatever I can to help accomplish the goal in whatever form that is.

Howey: A couple of weeks ago Fort Wayne Mayor Graham Richard expressed fears of keeping existing businesses. Last week, Fort Wayne lost 300 high-paying, high-tech Dana Corp. jobs to Toledo, Ohio. Did we lose those jobs because there was no action in March?

Kernan: We would have had a better chance of it not happening, but it's one of those things that we've known about for some time and known that we had some challenges because of where they are home based that we might not be able to overcome. I can't tell you whether it would have made a difference, but it sure would have helped our arguments.

Howey: Weren't there a lot of questions Dana needed that you couldn't answer because of a lack of action?

Kernan: In all of our efforts, we were faced with uncertainty over what our tax system was going to look like. Business is continuing to operate and when they are making decisions about investments, about locations, they need to know what the impact will be of those decisions. We can't give them firm answers about the long-term cost of doing business in Indiana because we are up in

the air. It hurts and it doesn't help at all.

Howey: I understand there's another 120 plant closure notices with another 17,000 jobs that won't be coming back. How many more Danas are there?

Kernan: Those are warning notices that have gone out recently. A part of it is the ongoing reshuffling of manufacturing and the changing dynamics of that sector of our economy. But some of it can be helped and avoided by putting a tax structure in place that encourages investment and encourages the creation of jobs. We don't have that today and it's why we have to move and move very quickly to get this done or we're going to continue to bleed until we do.

Howey: Is it too late to save the steel industry?

Kernan: No, it's not. I think the steel industry will survive in Northwest Indiana, but it's going to look very different than it did 10 years ago, but it will be different than even a year ago.

Howey: We've morphed from the re-election case you and Gov. O'Bannon made in 2000, to a steady drumbeat of bad economic news. It's almost like day and night. You're in charge of Commerce. Politically, how will you deal with the fallout from this crisis?

Kernan: We will continue to do everything we can to create job growth and good jobs in Indiana. We are in the midst of a strategic planning process within the Department of Commerce to look at how we utilize our resources, how we relate to our customers and how we provide service. Surrounding all of that is if you have a fundamentally flawed tax system that is not designed for the 21st Century, but instead for the 1800s, it can be fatal to whatever efforts go forward from here. We will work with whatever tools we have and we will hustle every day to work with our partners and customers, no matter what circumstances we have. But we would all be better off with a new, improved, modern tax structure.

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writes in his "Reliable Source" column in the Washington Post, "Sunday afternoon, the 41-year-old White House press secretary proposed to his girlfriend of the past year, Rebecca Davis, a staffer in Budget Director Mitch Daniels's office. Davis is a former aide to Indiana Secretary of State Sue Anne Gilroy. The 26-year-old Davis accepted, and Fleischer presented her with a diamond solitaire engagement ring from Tiffany's. ... No wedding date has been set, but Fleischer predicted 'it will be sooner rather than later.'"

INDIANA ARTS FUNDING DROPS: The \$3.6 million that Indiana distributed over the past year to support the arts ranks near the bottom in the nation and has barely kept up with inflation over the past decade, a newspaper reports. In its review of Indiana's arts funding, the Fort Wayne Journal Gazette also found that the state's arts grant-making agency changed the way it distributes money to try to spread the limited funding further. The newspaper's analysis of state and federal arts funding records from the past decade found that federal money going to Indiana from the National Endowment for the Arts has dropped from a high of \$910,000 in 1993 to \$557,200 in 2001. "Many of the people

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in leadership feel the arts are wonderful, but that they should be paid for with private funding," said state Rep. Sheila Klinker, D-Lafayette, an arts supporter.

SEN. NUGENT ARRESTED ON DUI; HAD OPEN CONTAINER: State Sen. Johnny Nugent was arrested Thursday night on a drunken driving charge after state police stopped his car on Interstate 74. Nugent, a Lawrenceburg Republican, was also cited for an open container containing alcohol and unsafe lane movement. He posted \$550 bond and was released Friday morning, said Indiana State Police First Sgt. Ray Otter. "I made a misjudgment," Nugent said (Louisville Courier-Journal). "It's something that happened. I feel obviously bad that it did happen. I'm sorry." Nugent said he was dining with friends Thursday evening at Morton's restaurant, a steakhouse popular with lawmakers in downtown Indianapolis. "We had wine with our dinner," he said. "I take some medication that probably doesn't mix with alcohol. I thought things were fine as I walked to my car. In driving out of town, I had no problem at all." Nugent, who is running unopposed for re-election this year, said he considered it "a routine drive home." First Sgt. David Bursten said state police

Indiana 2002 Racing Form

Trendline: House Republicans got some bad news last week when they were told their strong poll numbers on education were beginning to slip. GOP pollster David Winston briefed the Republicans on a new poll showing that voters see House Democrats as better able to handle education issues, according to GOP sources (*Washington Post*). Three months ago the two parties were at parity.

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:** We received this dispatch from a Lafayette Republican on reaction to OMB Director Mitch Daniels's appearance there last week: "He had the entire crowd of about 500 Tippecanoe County Republicans spell bound and in absolute silence for his entire 20 minute speech. He got the most enthusiastic standing ovation at the end that I have ever heard at any Lincoln Day dinner around the state. He was humorous but also had a serious message. He had a fine quote from Teddy Roosevelt which I will slaughter but the gist of it was that it is a fine time to be alive and have the chance to face the challenges of today. He applied that to President Bush, but then significantly also applied it to Indiana. I believe that every Republican in the audience left wishing that Mitch would come back to Indiana and run for governor. Mitch was very careful to be silent as to that, except for the TR analogy." HPR caught up with LG Kernan in Muncie where he and Indiana Chamber President Kevin Brinegar met with local leaders. Kernan appeared with Joe Evans of the local Carpenters Union and Steve Murray of Twoson Tools. Both urged restructuring. Kernan came off confident and emphatic in his push to get the legislature to act on tax restructuring and the budget deficit. He is approachable and friendly, obviously excelling at retail politics. It begs the question of why Gov. O'Bannon doesn't put Kernan out on the point to push the process through. Kernan has more good will at his disposal, is taken seriously, and has the most to lose. O'Bannon would have no better hitter at the plate in the 9th inning that Kernan. **Status:** *Leans D.*

Congressional District 2: Republican: Chris Chocola, Lewis Hass. **Democrat:** Jill Long Thompson, Mark Meissner, State Sen. William Alexa, Kathy Cekanski Farrand, Steven Osborn. **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:** *Roll Call* reported this week that, "Both state Sen. Bill Alexa and former Roemer aide Mark Meissner, considered to be Long Thompson's most serious opposition for the Democratic primary nomination, allege that she has received significant behind-the-scenes support from state and national Democrats to tip the scales in her favor." "I have been very disappointed with the Democratic Party," said Meissner. With several solid candidates in the race, "the party leadership had a responsibility to stay out of it," he added. Alexa said he has detected some disquietude over the role party officials have played on Long Thompson's behalf. "There appears to be some negative reaction to the pressure the party has put on people," said Alexa. Chocola went on television today with 30-second campaign ads on channels where Long Thompson has had TV spots since Tuesday (Jack Colwell, *South Bend Tribune*). Chocola's ads feature his message of why he is running for Congress in Indiana's new 2nd District. He is running, Chocola tells viewers, "to help President Bush" to cut taxes, improve schools and defend freedom. The League of Conservation Voters endorsed Long Thompson. "The League of Conservation Voters is proud to endorse Jill Long Thompson, who has built a strong record of fighting for the interests of Indiana families in a clean and healthy environment," said Deb Callahan, LCV president. We believe JLT will win the primary and her showdown with Chocola

HORSE RACE

will be played out partially on a national stage. **Primary Status:** *LIKELY JLT.*

Congressional District 4: Republican: U.S. Rep. Steve Buyer, U.S. Rep. Brian Kerns, State Sen. Mike Young. Tim Baynard, Thomas Herr, Bob Smith. **Democrat:** Open.

Geography: Tippecanoe, Clinton, Boone, Montgomery, Hendricks, Morgan, Lawrence and parts of Marion, Johnson, Monroe, Fountain and White counties. **Media Market:** Lafayette, Indianapolis, Terre Haute, Evansville, Louisville. **2000 Results: Old 5th CD:** Buyer (R) 132,035, Goodnight (D) 81,423; **Old 7th CD:** Kerns 131,562, Graf (D) 65,174.. **2002**

Forecast: "Barring some unforeseen development, we believe Buyer will win this primary." *Roll Call* noted this week, "The race between Kerns and Buyer has drawn the most attention in Washington, due largely to the seeming lack of effort Kerns is exerting in the race." Describing the race as 'strange,' Buyer said that Kerns has 'an obvious depreciation of enthusiasm' about the contest. *Roll Call* quoted Ed Feigenbaum of *Indiana Legislative Insight*, "Kerns is running what amounts to a token campaign." *Roll Call* reported, "Kerns did not return repeated calls for comment." **Primary Status:** *Likely Buyer.*

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) 19,070. **2002 Forecast:** Pence reported \$82,520 during the first quarter of 2002, compared to Fox, who reported \$55,367, according to FEC reports. The incumbent Republican showed a cumulative fundraising effort of \$646,552 during 2001-02. Fox posted \$176,672 in total contributions, including a \$50,000 loan she made to her campaign. Next Tuesday, Pence will bring U.S. Rep. J.C. Watts Jr. to Anderson and Muncie for fundraising events. Fox is visiting Washington, D.C., and New York City this week, raising campaign funds with the help of U.S. Sen. Evan Bayh, D-Ind., and Indiana U.S. Rep. Peter Visclosky. Pence told the Vanderburgh County Right to Life banquet Monday night that he wanted his message to bring hope to the more than 2,100 people gathered at The Centre. Pence said that Sept. 11, with all its tragedy, gave the nation something it seemed to have lost before the event: hope. "People still understand what it is to see innocent human lives destroyed," Pence said, pointing to the national and international sadness after the loss of life on Sept. 11 (Michelle Brutlag, *Evansville Courier & Press*). "It is my hope that we'll be able to see the organization of Vanderburgh County Right to Life replicated all the way across America," he said. "If we're persistent, we can overwhelm this argument. The core of American people still understand what it is to see innocent human lives destroyed." **Status:** *Leans Pence.*

Congressional District 8: Republican: U.S. Rep. John Hostettler. **Democrat:** Bryan Hartke, Michael Graf. **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:** Hostettler continues to have the financial upper hand in the 8th District congressional race (Jessica Wehrman, *Evansville Courier & Press*). Hostettler, who received \$137,820 in contributions between Jan. 1 and March 31, had \$183,027 on hand at the end of March. Democrat Bryan Hartke of Newburgh, the nephew of former Sen. Vance Hartke, garnered \$36,485 during the same period, as well as \$23,859 in loans. Democrat Michael Graf of West Terre Haute, Ind., received \$530 in campaign contributions during the first few months of this year. Hartke campaign manager Paul Bitz said the campaign estimates it will take about \$700,000 to win the overall election. The campaign has had four fundraisers featuring Uncle Vance. "We're never satisfied" with fundraising, Bitz said, "but we're satisfied to date." **Status:** *Likely Hostettler.*



- Brian A. Howey

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received a call Thursday night from a citizen complaining about an erratic driver on I-74. Nugent said he believed his blood-alcohol level was measured at 0.13 percent.

KITTLE ENDORSES MBARI, GOP AFRICAN-AMERICAN GROUP: Indiana State Republican Party Chairman Jim Kittle announced his support of a new GOP initiative to reach out and involve African Americans statewide (Amos Brown, *Indianapolis Recorder*). The new organization is the brainchild, not of Kittle and white GOP leaders, but of African-American Republicans. Issac Randolph, firefighter and former head of the Front Porch Coalition chairs the new initiative called MBARI, which is Swahili for family. Other initiators include union leader Steve Quick, businessman Jesse Moore and Republican activist and former City-County Council candidate Jackie Cissell, who'll be MBARI's executive director. Kittle has talked privately and publicly about diversifying Indiana's Republican Party and making African Americans and others feel welcome. Kittle deeply believes, as does Randolph, Cissell and the other organizers of MBARI, that African Americans and Republicans share common ground on issues of faith, education and values.

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MBARI believes it's unhealthy for African Americans to place their political eggs entirely in the Democratic basket; that diversification of Blacks' political support will yield positive dividends for the community. Marion County Prosecutor Scott Newman and House Minority Leader Brian Bosma were conspicuous by their attendance.

BORROR HOLDS MONEY LEAD: State Rep. Randy Borrer, R-Fort Wayne, has a clear financial lead over all state legislative candidates running in contested primaries (Niki Kelly, Fort Wayne Journal Gazette). Borrer added \$2,600 to his previous pot of \$26,000 in his bid to retain the House District 84 seat he inherited when Gloria Goeglein died, according to campaign finance forms filed Friday. He also spent about \$13,000, leaving him with \$15,000 on hand leading up to the primary. Borrer's fringe Republican opponent Mark Wehrle, who does not accept PAC money, has collected only \$500 and spent all but \$9.31 of that.

HD 50 SHOWS MONEY PARITY AMONG REPUBLICANS: The four Republicans vying for this open seat raised about the same amount this year, except for David Welker. Welker reported zero contributions. Daniel Leonard took in \$3,225 and spent \$1,700, leaving him with about \$1,400. Bill Overdeer

Farm Bill unlikely to affect races

By MARK SCHOEFF Jr.
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WASHINGTON -- As congressional negotiators haggle over arcane details of federal agricultural policy to try to reconcile House and Senate versions of the farm bill, they might make decisions that could affect South Dakota, Georgia and Missouri Senate campaigns. But in Indiana, agriculture is unlikely to influence House races.

"I don't think it's going to be a huge issue," said Kent Yeager, director of government relations for the Indiana Farm Bureau. "It will be a partial issue in (new 6th CD GOP Rep. Mike) Pence's district because I know (Democratic challenger) Mel (Fox) will talk farm issues."

In the hotly contested Republican primary in the new 3rd CD, the Indiana Farm Bureau endorsed incumbent Rep. Mark Souder this week. But the group's announcement and financial contribution to Souder notwithstanding, agriculture policy has not become a defining issue in the fertile district. "I have not received many questions or comments about the farm bill during the campaign," said former Fort Wayne Mayor Paul Helmke, Souder's challenger, via e-mail.

Pence, Fox focus on ag

Whether the farm bill machinations will separate Pence and Fox remains to be seen. Pence, a member of the House Agriculture Committee, has been one of the most vociferous advocates of the House farm bill, which would create about \$73 billion in new ag spending over the next 10 years on top of the \$98 billion being spent on current programs. The Senate version would increase funding about as much. Pence has fought against a Senate provision that would cap payments to farmers at \$275,000 annually, down from the current \$460,000 ceiling. "The Senate farm bill harms American competitiveness by punishing productivity and

efficiency," he said in a February statement. "It forces farmers to ignore economic conditions and follow the illogical rules of Washington bureaucrats to qualify for benefits."

Fox, chairman of the Farm Services Agency State Committee during the Clinton administration, supports the Senate legislation. "It's crucial that we're putting payment limitations on these programs," she said. "That way resources can be used for other priorities like conservation." She said many of the elements of the Senate bill, including food labeling, livestock ownership, and conservation measures, were policies she worked on during her FSA tenure.

"The Senate bill will empower and benefit family farmers and ranchers. It will definitely benefit our district because we have some of the best agriculture in the world."

Pence splits with Lugar

Although he's running against Fox, Pence's stance puts him more at odds with Republican Sen. Richard Lugar, ranking member of the Senate Agriculture Committee and owner of a 604-acre Marion County farm. Lugar introduced a bill in October that would provide federal vouchers to farmers for whole-farm insurance that would guarantee 80 percent of their average income. The bill, which would have added \$25 billion in new ag spending over five years and shifted more money into nutrition and conservation, was voted down 70-30 earlier this year in the Senate.

Even though his plan failed, the senior senator remains opposed to the House and Senate bills. "Such huge increases are out of line at a time when the United States is fighting a sluggish economy and a life-or-death war on terrorism," he wrote in a January op ed in the New York Times. "Why is this situation possible in political terms? The main factor is concern among

lawmakers of both parties that power in Congress could hinge on a few races in heavily subsidized agricultural regions." Despite budget deficits due to the terrorism war and statements by budget director Mitch Daniels that non-security funding must be cut, the Bush administration has not opposed the agricultural spending proposed by Congress.

The House and Senate bills don't dismantle the Freedom to Farm law that Lugar wrote in 1996, which gives farmers fixed but declining payments regardless of the kind or amount of crops they plant. The new farm bills add a countercyclical payment to subsidize farmers when prices fall below a certain level. Pence says that provision is needed to avoid the more than \$30 billion in emergency farm payments that have been doled out over the last four years.

A Washington executive for an agribusiness company said that reintroducing countercyclical payments substantially increases the costs of the farm bill and encourages farmers to overproduce, lowering prices. "Do you really need to bump spending by \$73 billion? What

(people such as Pence) are saying is 'I'd rather not be bothered with these political decisions every year.' But I'm not sure you're going to be on autopilot no matter what program you have."

Yeager said Hoosier farmers are reluctant to embrace Lugar's plan. "Senator Lugar in this debate took a really philosophical view," he said. "It's an idea most of our members like, but from a practical sense, farmers are worried about how it will work. That's why they are ready to back the House version (of the farm bill). It's hard to be philosophical when the wolf's at the door."

Pence doesn't relish the split with Lugar. "Senator Lugar was one of the harshest critics of the House bill early on and that put me in an awkward position. I have great respect for Senator Lugar, there's no one I'm closer to. He was playing an important role in driving new ideas into the debate. In the end, it was an honest difference of opinion." In his district, farmers agree with the House bill approach, Pence said. "What I hear from my constituents is not (questions) about my position, but about the senator's." ❖

A change in the Statehouse tax dynamic

INDIANAPOLIS - With the Senate Republicans unveiling what was deemed to be a "credible" plan by the O'Bannon administration, there appears to be movement on tax restructuring and deficit reduction.

Senate Republicans announced their plan this morning (See today's *HPR Daily Wire Bulletin*). "The governor's going to keep us here long enough to get his tax increase," Senate President Pro Tempore Robert D. Garton said Wednesday. (Niki Kelly, Fort Wayne Journal Gazette). "I think we all must be conditioned to the fact that there will be higher taxes."

What has changed the dynamic? It could be that Gov. Frank O'Bannon and Lt. Gov. Joe Kernan are criss-crossing the state pushing for a solution. It could be more dire economic news, like the loss of 300 high-paying, high-tech jobs at Dana Corporation in Fort Wayne last week.

But sources tell *HPR* that there is a concerted effort underway by dozens of Indiana business and industrial leaders - many of them Republicans and frequent contributors to legislative campaigns - to pressure the GOP to act. Many of these business leaders sympathize with the legislative Republican vows to hold the line on taxes. The problem is that the economic situation has deteriorated so badly that many believe they can no longer wait until 2003. As much as the governor, or the Alliance, or the pundits might want to claim credit, the real reason is that the money is beginning to talk. ❖

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raised \$2,565 and spent \$1,500, leaving him with about \$1,000. Randy Plew collected \$2,650 and spent \$1,200, leaving him with about \$1,400 (Journal Gazette).

STUTZMAN LEADS HD 52 REPUBLICANS: Only one Republican candidate managed to keep pace with Democrat incumbent Rep. Dale Sturtz, who collected \$7,272 and spent about \$4,900, leaving him with about \$2,300. Republican Marlin Stutzman raised \$6,905 and spent all but \$42. About \$1,400 of that money was from Stutzman himself. Trish Gensic raised and spent \$462, all of which was donated by her. Les Alligood collected \$1,000, of which he spent only a few dollars (Journal Gazette).

KUZMAN FEELS GOOD ABOUT PRIMARY: Before the primary has even taken place, Bob Kuzman appears to have the Democratic nomination for 19th District state representative sewn up (Christine Harvey, Times of Northwest Indiana). Little is known about his opponent, John Anthony Malan of Lowell. Malan has not returned phone calls from The Times seeking comment, nor has he made his presence known in the area's political circles. But Kuzman isn't taking his competition for granted. He has started putting up campaign signs and said he has plans to court his current and, hopefully future, constituents. "This is the best part," said Kuzman.

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