

The Howey Political Report



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“QUOTE” OF THE WEEK

“For one of the first times, Mitch was speechless.” - A senior White House official after OMB Director Mitch Daniels went to a meeting with President Bush and Vice President Cheney, both wearing ‘My Man Mitch’ buttons

At the height of their power?

Views on Bush, Garton and Borst

By **BRIAN A. HOWEY** in *Indianapolis*

As the *New York Times* and CBS were gauging President Bush’s popularity last week, coming in at a lofty 73 percent, the commander-in-chief was feeling his oats and had another country in his sights.

“We believe there are chemical weapons in Syria,” Bush said on Sunday. “We’re here in Iraq now. And the second thing about Syria is that we expect cooperation. And I’m hopeful we’ll receive cooperation.”

On the other side of the planet, in a place not the center of the universe, Indiana House Republicans unveiled an ambitious, 10-year economic development plan, described by the *Indianapolis Star* as the “most aggressive” plan to date. “We recognized a problem long before it became what it is today — an emergency,” said House Minority Leader Brian Bosma. “We decided we have a responsibility to bring this discussion to a successful conclusion.”

And the reaction from one of the two most powerful men in Indiana state government, Senate Finance Chairman Larry Borst, was this: The House Republicans’ plan may be a combination, “but it’s their combination.”

The most powerful man in state government -- no, not Gov. Frank O’Bannon, but Senate President Pro Tempore Robert D. Garton -- wasn’t on the record with regard to Bosma, but the Senate’s dynamic duo seemed intent on:

A. Getting out of town on April 24, five days before the April 29 deadline;

B. Creating Indiana’s second consecutive irresponsible budget that took a pass on tapping additional gaming revenues (that industry, the *Star* noted, is now the state’s fourth

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PATRICK URGES CONSOLIDATION OF EAST CHICAGO, HAMMOND, MUNSTER, WHITING: Mayor Robert A. Pastrick is proposing the creation of one city out of the municipalities that comprise North Township (Jim Masters, Times of Northwest Indiana). "I believe strongly in consolidation," Pastrick said during a candidate endorsement interview with members of The Times editorial board. "I know that sounds odd, running for mayor of one city." Pastrick, who is seeking his ninth term in office, said it makes sense to unite East Chicago, Hammond, Whiting, Highland and Munster -- the five municipalities that make up North Township -- under a single governmental entity. Not only would it create Indiana's second-largest city, it would also significantly reduce the cost of government and most likely result in lower property taxes, he said. "The five communities would make a larger city with a lot of clout and would make for a whole community," he said.

PARKER TAKES NEW RESPONSIBILITIES FOR INDIANA DEMOCRATS: The Indiana Democratic Central Committee, chaired on Saturday by newly married Joe Hogsett, elevated Dan Parker to become executive

big pillar in revenue), and tax increases.

In Garton's and Borst's Indiana, the consequences will be waves of teacher layoffs, school closings (already under way), and termination of Medicaid benefits, nursing home shutdowns and loss of services to the most vulnerable Hoosiers needing things such as 24-hour care.

Faced with tougher school performance standards, deemed important to business and industry for the need to produce a more competent Indiana high school graduate, the response was this in the Indiana House: Take the teeth out of the new standards. State Rep. Clyde Kersey, D-Terre Haute, who added the provision to remove accountability measures, said schools aren't being given enough funding. "Without the tools, schools can't be held to achievement standards," Kersey said (Jennifer Whitson, *Evansville Courier & Press*). "You can't expect to put together a Cadillac program without the proper funding."

In essence, Kersey and a majority of the House lacking fortitude to, as Ronald Reagan might say, "stay the course," seemed content to steer the course to fictional Jar City, Indiana, where "good enough is good enough for us!"

Bosma's response: "This is the single most damaging piece of legislation to school excellence that I've seen in the last 20 years,"

Swirling around Garton's and Borst's Indiana could be the pyrrhic fruits of a government that can't seem to govern: "Shocking" property tax bills, as reported in the *Evansville Courier & Press* and the *Bloomington Herald-Times*. The promises of average "double digit" residential property tax reductions have given away to a reduction in homestead credits, in part because of a 17-year-old state accounting error that was gravy to tens of thousands of homeowners.

Gov. O'Bannon on Wednesday downplayed a widespread "shock" over property tax bills, telling HPR, "It will be different in different counties."

O'Bannon also trod lightly on prospects for a veto over another bad budget.

Fair or not, there were expectations set in June 2002 when Garton and Borst acquiesced to tax restructuring and made it happen, and now that residential motherlode is aiming for the rocks in an undetermined number of locales.

And, if you happen to live in a Republican stronghold such as Hamilton or Allen counties about ready to get whacked by state overpayments (as high as \$40 million in Hamilton), it will be Republican voters bearing the brunt.

Power and hubris

President Bush's rocketing popularity is no surprise. Americans were greeted with images of Iraqi citizens giving soldiers waves, smiles and flowers, along with tumbling Saddam statues and rolling Saddam heads down the street. American soldiers, sailors and aviators performed heroically and compassionately. Even French President Chirac and Russian President Putin heralded the demise of the 21st Century's first deposed tyrant.

But in the wake of a military victory came the troubling signs of looting and revenge killings (these things also occurred in France in 1944-45), but, more importantly, a lack of the chemical/biological smoking gun.

The pretext for Bush's invasion was weapons of mass destruction, with almost universal confirmation from intelligence sources and Indiana's political elite (Sens. Lugar and Bayh).

The tunnels and caves coursing through Iraq are only now feeling their first steps from Special Ops and the Bush administration is suggesting the smoking gun will probably be found somewhere between Baghdad and Tikrit. CNN reported on Wednesday that Gen. Tommy Franks said it may take a year to look in an estimated 3,000 places. It also quoted sources as saying some of the stockpiles may have been looted.

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A Gallup poll prior to the war found 38 percent of Americans believe the war would be justified if no weapons of mass destruction were found. After the war, that number jumped to 58 percent.

Amy Smithson of the Stimson Center told CNN that if no WMD are found, "It leaves the United States in a difficult place," particularly if it tries to press a similar case against Syria.

Rumsfeld said Sunday on CBS's *Face the Nation*: "The Syrian government is making a lot of bad mistakes, a lot of bad judgment calls, in my view, and they're associating with the wrong people." On Monday, Presidential spokesman Ari Fleischer declined to tamp down speculation on military adventure in Syria: "I can only say to you that it should not be unexpected that the United States for a considerable period of time has said through diplomatic channels that nations that are rogue nations need to clean up their act. They should not harbor terrorists. They should not produce weapons of mass destruction."

The spectre of Syria as a producer of weapons of mass destruction was a new bit of information for most Americans. There were suggestions that WMD and Iraqi war criminals were being moved to Syria, apparently undetected by Special Ops in the field and the array of satellite sensors and other intelligence assets.

Cynics see a mea culpa for the Bush administration should no WMD be found in Iraq. Arabs see the Western Colossus and Crusaders taking aim at another country.

Republicans such as 7th CD Republican nominee Brose McVey expressed concerns last year over America in cowboy mode, instituting regime change from country to country. Yet, neoconservatives such as Paul Wolfowitz see additional regime change following the Iraq domino, though most saw it as a seed of freedom taking wing from a freed nation.

Whether Americans will go along with American GIs and Marines marching

into Damascus is a huge question.

But beyond whether Bush's pretext for the war is proven or not, perhaps the most politically lethal element he faces is the same one his father did: The American economy. On Tuesday, an *ABC-Money Magazine* survey found consumer confidence on the rise. But *Newsweek* columnist Robert J. Samuelson warned that historically, victory in war is no panacea for the economy. Inflation, he said, followed the Civil War, World War I and Vietnam. "Only after World War II has the economy escaped the curse," Samuelson observed. With the International Monetary Fund predicting a 2.2 percent growth for the U.S. economy this year, Samuelson noted, "We all want to believe in the economics of victory: That military victory will trigger economic revival. This could happen, but the odds, unfortunately, seem against it."

Apex, or upward trend?

Bush has boldly created his own political order, with the wizardly Karl Rove exploiting the circumstances as well as any presidential adviser in history. But most political observers believe the 2004 election will turn on the economy and not the war.

As for Borst and Garton, the demise of the House Speaker's power to hand down bills and a governor who chooses to arbitrate have squarely placed the most concentrated power in the Senate. Nearly everyone in the Statehouse is wary of offending either senator. While Republican Chairman Jim Kittle Jr. rose to power on a reform platform, not only for the GOP but for the state, he, too, is reluctant to paint the Senate duo as obstructionists in the face of reform.

Many question whether either senator really wants a Republican governor, because the center of power would move to the second floor and a dynamic and an activist new governor would find a clash in cultures. For now, there is no question as to where the real power lies. ❖

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director/political director. Parker is U.S. Sen. Evan Bayh's former state director who originally joined the committee to organize the party's fund-raising under the new campaign finance laws. The reorganized committee also retained Shaw Friedman as legal counsel.

ROCH DIAGNOSTICS TO EXPAND: Roche Diagnostics Corporation, the leader in diagnostics announced today that it will invest in excess of \$135 million and create approximately 600 new jobs at its Indianapolis campus on the northeast side of the city over the next 10 years.

NORTH KNOX TO LAY OFF 16 TEACHERS AND STAFF: Budget woes have forced the North Knox School Corporation to lay off 16 teachers and staff members, effective at the end of this school year, although paid coaching positions have not been cut (Vincennes Sun-Commercial).

SUBURBS GROW THE MOST: Suburban Indianapolis, led by Hamilton County, is still the fastest-growing area of Indiana, according to 2002 census estimates being released today (Associated Press). "The one trend that jumps out at me, and it's just a continuation of the 1990s, is strong suburban growth,

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primarily around Indianapolis," said John Besl, a demographer with the Indiana Business Research Center. Many people move to the suburbs because they want more space, he said. "I guess that's the motivation," Besl said. "But looking at these numbers, it seems like the suburbs have to be pretty crowded." The state's five fastest-growing counties were all around Indianapolis. The fastest-growing county, just as it was in the 1990s, was Hamilton County, just north of Indianapolis. It grew 68 percent from 1990 to 2000 and another 5.3 percent from 2001 to 2002. The county had an estimated population of 205,610 last year. Hendricks County is the next fastest-growing county at 4.2 percent, followed by Hancock County at 2.8 percent, Boone County at 2.6 percent and Johnson County at 2.5 percent. Owen County, between Bloomington and Terre Haute, and Ohio County, near Cincinnati, were next with 1.9 percent growth. Ripley County, also near Cincinnati, was next at 1.7 percent growth, followed by Warren County, west of Lafayette. The estimated population of Marion County, which includes Indianapolis, dropped to 863,429 last year from 863,787 a year earlier. Lake County grew by 1,323 people, or 0.3 percent, to 487,016. Allen County grew

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Bush turns to an untidy economy

Pence hopes the son learned the lessons of the father

By MARK SCHOEFF JR.

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WASHINGTON -- When Iraqi cities were hit hard by looters last week, Defense Secretary Donald Rumsfeld said that the end of Saddam Hussein's regime would be "untidy." The same adjective applies to President Bush's attempt to pivot from the war to his domestic agenda.

Even as U.S. and coalition troops were securing victory in the fighting phase in Iraq last weekend, the Senate significantly pared back Bush's plans for a massive tax cut. In an agreement forced by Republican moderates, the Senate approved a budget blueprint that allows for only \$350 billion in tax cuts when the budget is finalized this fall, instead of the \$726 billion in Bush's original proposal that passed the House. House GOP leadership thought it had a deal with the Senate to settle on a tax cut of at least \$550 billion in House-Senate negotiations later this year. But that was scuttled by the Senate's \$350 billion cap.

Although he has a 71 percent job approval rating, according to a *Wall Street Journal* poll conducted April 12-13, Bush has not been able to transform Iraq success into momentum for his economic agenda. The *Journal* poll showed that 49 percent of the 605 people surveyed did not think that Congress should pass Bush's tax-cut plan, the centerpiece of which is elimination of taxes on investment dividends. And this may be as good as it gets for Bush in terms of an Iraq bounce.

An example of the challenge Bush faces in selling his economic plan can be seen in Democratic Sen. Evan Bayh. When Bush announced his \$726 billion tax package in January, Bayh had a favorable reaction. But last week, he supported efforts to hold the total to \$350 billion. He backs rifle-shot tax cuts, such as reducing the marriage tax penalty, providing a larg-

er child tax credit and repealing the estate tax. But he disagrees with the scope of the Bush plan. "His priority is passing tax cuts that would be stimulative to the economy while at the same time being fiscally responsible and mindful of the cost of war and the growing deficit," said Bayh spokesman Mark Kornblau.

GOP Rep. Mike Pence argues that the best way to attack the burgeoning deficit is through economic growth spurred by cutting taxes. In a conference call with Indiana reporters on April 11, Pence emphasized that the economy more than Iraq will determine the president's fate in 2004. "Many of us feel that it's 1992 all over again," he said in reference to the previous President Bush's trouble in dealing with an ailing economy after victory in the Persian Gulf war. "Our hope is that this President Bush has learned the lesson of his father. This incredible victory overseas will be a distant memory by the next election if the country is listing under the weight of a recession," Pence said.

One dynamic that may help Republican congressional candidates is that Bush has a higher favorable rating in handling the economy (49 percent, according the *Wall Street Journal*) compared to his father in 1991 (about 35 percent). "You don't have that striking difference that you had in 1991," said Carl Forti of the National Republican Congressional Committee.

But the pressure is on Bush to show results. "The election in 2004 will be a referendum on Republican policies," said Chris Sautter, a Democratic media consultant in Washington who has worked on Indiana congressional races for two decades. "It's going to be a scorecard. The question: 'Are you better off now than you were four years ago?' is going to be implicit for each voter going to the polls."

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Kernan dreaded that daily 'call time'

By JACK COLWELL

South Bend Tribune

What's the "real reason" Lt. Gov. Joe Kernan took himself out of the 2004 race for governor? More than anything else, it seems it was this ringing sound.

No, not a health problem. A phone problem.

In an interview in his Statehouse office, Kernan said he now looks forward once again to going to work there in the morning.

For many months last year, he did not. Oh, he still enjoyed the governmental part, especially as he could look back on the successful tax restructuring and efforts at budget balancing in a special legislative session that could instead have ended in oblivion.

With session adjournment, however, "call time" was added again to Kernan's schedule.

"It's something that I came to know that I despise," Kernan related.

"Call time" is another name for "dialing for dollars," the necessary time that a candidate for an office like governor is expected out of political necessity -- gotta pay for those myriad TV spots -- to devote to calling prospective contributors to ask for money.

Kernan was successful at it, at least in 2001, when he began to amass the nearly \$2 million he raised before his startling announcement in December that he would not seek the Democratic nomination, a nomination that was his for the asking. (He can't keep the funds personally; he gave money back to the 10 percent of contributors who decided they wanted it returned and he expects most to go to candidates he supports, including the eventual Democratic nominee for governor.)

"Call time," scheduled day after day for two or three hours at a session, meant that Kernan left the Statehouse to go across the street to state Democratic headquarters, where calls would be placed to

prospective contributors.

A candidate has to call and ask; can't just expect supporters to pick up their phones and pledge money that wasn't sought.

He knew that if he wanted to run a successful campaign -- and Kernan is known as competitive in whatever he does -- he would have to spend day after day, week after week for the two years before the election with that ringing sound, the dialing for dollars.

And if he won in '04, he would be expected by his party and supporters to seek re-election in '08, with more commitment to hundreds upon hundreds of hours of begging during "call time"

"I wasn't looking forward to going to work in the morning," Kernan said. He began making excuses to avoid "call time." With less calling, he wasn't getting the results in 2002. Staff members sensed his heart wasn't in it.

And when Kernan was experiencing the hell of being a prisoner of war in Vietnam, he promised himself that if and when he ever was freed, he would regard every day as precious, not to be wasted "on things that I didn't enjoy doing."

He doesn't say "call time" was the sole reason for not running. There were other concerns about how he wanted to spend the rest of his life and the problems of doing the kind of job he wanted to as lieutenant governor while also running full-time for governor.

Now, Kernan said, he again enjoys coming to work in the Statehouse, where he presides over the Republican-controlled state Senate.

"I know many people don't understand the decision," Kernan said. Yes, some still seek the "real reason."

It may not be the only reason, but that ringing sound rings loudest. ❖

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by 2,405 people, or 0.7 percent, to 337,512. St. Joseph County grew by 683 people, or 0.3 percent, to 267,120.

BAYH CALLS FOR FOREIGN BASE CLOSURES: In an effort to protect the twin military facilities at Crane, U.S. Sen. Evan Bayh is proposing that the Department of Defense widen the potential list for 2005 base-closings to include all military facilities outside the United States (Kurt Van der Dussen, *Bloomington Herald-Times*). In a bipartisan effort, Bayh and U.S. Sen. Jeff Sessions, R-Ala., have sent Secretary of Defense Donald Rumsfeld a letter making the proposal. "As we approach the upcoming base closure and realignment process, we urge you to accelerate conceptual plans to alter our force structure overseas to best thwart the primary threats facing our nation," the senators wrote.

PENCE TO CHAIR SUBCOMMITTEE: U.S. Rep. Chris Cox (R-Calif.), chairman of the House Republican Policy Committee, announced that U.S. Rep. Mike Pence will chair the newly created Civil Justice Subcommittee in the 108th Congress. The new committee will focus on legal reform issues.

CARLSON RUES THE

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DECLINE OF IDEOLOGY: The ideology and the ideas have gone out of American politics in the past decade, political analyst Tucker Carlson told an Indiana University audience Tuesday. And that's not good, he said, because with them have gone the passion and outspokenness that used to be part of the game. "Voters won't put up with rudeness any more, because voters sense there's not enough at stake," he said. "There are no great debates over ideas any more, so it's not worth it to have someone who's mean and rude." Carlson, the bowtie-wearing conservative co-host of CNN's "Crossfire," spoke to about 350 people, nearly all of them students, in the IU Auditorium. Carlson said President Bush's political gains from the war are likely to be short-lived, however. And Republicans, he said, are going to have to find some new issues to run on — they can't win as the anti-government party when Americans, after 9/11, are sympathetic to government. But Carlson said Democrats have a bigger problem: Leadership that couldn't take political advantage of the ailing economy and made itself irrelevant to debate over war in Iraq. "Arguing with the Democratic Party at this point in history is a little like arguing with a drunk per-

2003, 2004 Racing Form

East Chicago Mayoral: Republican: None. **Democrat:** Mayor Robert Pastrick, Councilman George Pabey, Judge Lonnie Randolph. **1999 Primary Results:** Pastrick 5,772, Stephen Stiglich 3,790. **1999 General Results:** Pastrick (D) 3,027, Acost (R) 629. **2003 Forecast:** As of last Friday, 645 absentee ballot applications were received by Lake County election officials, with hundreds more expected to come in before the April 28 deadline (Michael Puente, *Post-Tribune*). **General Status:** *Solid Pastrick.*

Evansville Mayoral: Republican: Mayor Russell Lloyd Jr.. **Democrat:** State Rep. Jonathon Weinzapfel. **1995 Results:** McDonald (D) 19,162, Frary (R) 9,565. **1999 Results:** Lloyd (R) 15,980, Borries (D) 15,461. **2003 Forecast:** City officials received \$1,096,073.79 in bills incurred from the failed baseball stadium project and more is yet to come (*Evansville Courier & Press*). Local lawmakers are pushing legislative leaders to include a provision to abolish the cap on local homestead credits in face of "shocking" property tax bills about to be sent to homeowners. "The city has suggested that they have the money to provide the full 8 percent credit," said Weinzapfel. "It makes sense to enable them to do that. It may have been too late to correct the problem by the time the other counties finish their reassessment." **General Status:** *Tossup.*

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Gary Mayoral: Republican: Open. **Democrat:** Mayor Scott King, Karen Freeman-Wilson, Dozier Allen, Roosevelt Allen, Douglas Grimes. **1995 Results:** King (D) 23,588, Williams (I) 5,482, Boswell (R) 1,108, McCraney (I) 96. **1999 Results:** King (D) 11,467. **2003 Forecast:** King won the 1st District endorsement Wednesday, getting 17 out of 24 votes. City records show Freeman-Wilson was hired by Mayor King to serve as one of the attorneys advising him when he created a way to fund its construction. Freeman-Wilson and her law firm collected \$72,500 to provide legal advice on funding for stadium construction, according to city records. In addition, she and her firm were signed to a \$150,000 contract to advise King on the stadium and other redevelopment projects funded by bonds (*Post-Tribune*). Freeman-Wilson has pointed to the stadium's cost overruns as one of the main reasons she is trying to unseat King, but she personally benefitted when the stadium jumped in cost from \$20 million to \$45 million. "I thought that the citizens would be better served by a completed stadium than an incomplete structure," Freeman-Wilson said. "But no one should ever confuse my work as bond counsel with the mayor's breach of his fiduciary duty to the citizens when he entered into the stadium contract." **General Status:** *Solid King.*

Fort Wayne Mayoral: Republican: Linda Buskirk, O. (Bro) Blye. **Democrat:** Mayor Graham Richard. **1995 Results:** Helmke 21,909, Essex (D) 11,033, Kempf (L) 1,029. **1999 Results:** Richard (D) 21,607, Buskirk (R) 21,531. **2003 Forecast:** Buskirk said Wednesday the city needs a mayor who will talk to local businesses to hear what they need to stay in the area and expand their workforces. Greg Haegele, Richard's newly appointed campaign manager, said Richard has been talking to businesses his whole life. "A mayor must stay in touch with the real, everyday needs of the companies because those needs determine whether jobs will stay or leave," Buskirk said. Richard's campaign said economic development takes much more than talking. "I think the mayor is light years ahead of Linda Buskirk in actually implementing a plan to bring businesses to Fort Wayne," Haegele said. **General Status:** *Tossup.*

Indianapolis Mayoral: Republican: Treasurer Greg Jordan. **Democrat:** Mayor Bart Peterson, Karen Sue Beck. **Libertarian:** Open. **1995 Results:** Goldsmith (R) 64,209, Jimison (D) 39,539, Dillon (L) 7,175. **1999 Results:** Peterson (D) 102,870, Gilroy (R) 83,044, Horning (L) 7,772, Gibson (OP) 2,145. **2003 Forecast:** Peterson officially kicked off his re-election campaign Wednesday. "I want to ask the people of Indianapolis to (re-elect) a team that in 1999 told you what it would do, and then did it," Peterson told a crowd of about 250 supporters and family members (Matthew Tully, *Indianapolis Star*). "If you give us the opportunity for four more years, we will perform," he said. Jordan released a letter saying, "I am greatly concerned

about the almost weekly stories of job losses and businesses leaving our community." Jordan is asking the mayor to commit to a series of at least nine debates between now and the Nov. 4 election. It was a painful week for Peterson, enduring the loss of the United Airlines maintenance facility and the potential of United bailing on its bond payments. The United negotiations (along with police and the Colts) was one of the "big three" issues the *Indianapolis Star* had on Peterson's plate. The political damage to Peterson is probably negligible. United's bankruptcy was caused by Sept. 11 and most voters sense there was nothing the city and state could do about it. Having said that, it's painful and should the other two issues go counter to Peterson's interest his political picture may not be as rosy as it was at the beginning of the year. **General Status:** *Likely Peterson.*

Michigan City Mayoral: **Republican:** Open. **Democrat:** Councilwoman Joie Winski, City Controller Chuck Oberlie, Rev. Albert Isbell, Derald Borton, Jack Wright, Lester Bromley. **1999 Results:** Brillson (D) 3,749, Kniola (R) 3,217. **2003 Forecast:** Oberlie said Tuesday he is returning \$1,800 in campaign contributions he received last year from NIPSCO sources, including NIPSCO president and CEO Barrett Hatches (*Michigan City News-Dispatch*). Oberlie cited NIPSCO's attempt to prevent city officials and others from testifying at a hearing on NIPSCO's service centers among his reasons for returning the money. The hearing is tonight in LaPorte. **General status:** *TOSSUP.*

Muncie Mayoral: **Republican:** Mayor Dan Canan. **Democrat:** Dennis Tyler. **1995 Results:** Canan (R) 9,718, Carey (D) 6,521. **1999 Results:** Canan (R) 7,973, Smith (D) 5,611. **2003 Forecast:** Tyler stumped in south Muncie Wednesday, saying, "We have millions and millions of dollars coming into this community, and it is not getting into the neighborhoods like it should." Tyler hosted a poker party fund-raiser, which is an indicator this campaign doesn't intend to fold. **General status:** *Likely Canan.*

Indiana 2004 Gubernatorial

Governor 2004: **Republican:** David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris. **Democrat:** Joe Andrew, State Sen. Vi Simpson. **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:** Mitch Daniels became the first White House Budget Director in American history to be the featured speaker at Lincoln Day dinners in Brown, Cass and Howard counties in successive days. The Associated Press quoted Daniels in Nashville Tuesday night saying prior to his speech, "If the war had gone badly, I would have been reluctant to leave my post." Daniels said he also would have been reluctant to leave the Bush administration if Congress had not yet approved the federal budget or money for the war. "This is the period I will turn my attention to it," he said, with a decision likely be Memorial Day. Last Friday Daniels went into a meeting with several people, including including President Bush and Vice President Cheney, both wearing "My Man Mitch" buttons. According to one senior official who was there, "For one of the first times, Mitch was speechless." Eric Miller was telling his constituents that he was "closer to victory" on B.B. 2005, which would keep churches, charities, camp grounds and private colleges from paying property taxes. Joe Andrew reacted to news that presidential candidate Howard Dean has accepted an invitation to speak at the annual State Jefferson-Jackson Day Dinner. Gov. Dean is an outspoken critic of the war in Iraq. "I disagree with Gov. Dean's position on the war with Iraq," said Andrew. "I also do not believe he represents the majority of Hoosiers' views and their support for our troops. Indiana follows the tradition of a more activist foreign policy represented by Evan Bayh and Richard Lugar. I am proud of to be part of that tradition." On the Senate front, Simpson lauded the 32-18 vote for the French Lick/West Baden casino. "This bill is about bringing people to the Valley, and all sorts of wonderful things can happen when you bring people to the Valley," she said. "Shame on us if we let that West Baden (Springs) Hotel disappear," she said. **Status:** *TOSSUP.* ❖

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son," he said. "Or with a child. You know you're going to win, but it's unpleasant."

CASINOS BRING \$160 MILLION TO GARY: Year by year, category by category, six years' worth of casino tax expenditures have been provided, according to city financial records made available by Mayor Scott King (Steve Patterson, Post-Tribune). Officials from the city controller's office made the records available after a Post-Tribune request to King to discuss his philosophy for spending casino funds. Since 1997, records show, the city has spent almost \$160 million in casino tax money. Almost half of it — \$72 million — has been spent on paving, curbs and sidewalks, demolition, public safety and other city equipment, as well as community organization donations, according to financial records. "It's had the kind of impact I wanted to see happen," King said. "Gary was the poster child for the necessity of casino funds. It was created to pump in the capital needed to rebuild a city. We haven't lost sight of why the funds were created."

OFFICIALS URGE END TO DELAWARE COUNTY INVENTORY TAX: Local government officials agreed Wednesday that Delaware County's inventory tax should be eliminated early

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(Rick Yencer, Muncie Star Press). "The time to do it is now," said Charles Leonard, president of Muncie City Council. "It would be a much greater impact to wait." A task force studying the immediate elimination of the tax agreed Wednesday. Muncie City Council, which has a majority vote on the county income tax council, could take up the issue in June. Mayor Dan Canan and Muncie Community Schools Supt. Marlin Creasy supported immediate action, as did Delaware County Council President Todd Donati.

LOWELL RAISES SEWER BILL: A project to improve the town's water quality will result in a 40 percent hike in residents' sewer rates (Post-Tribune). Town Councilman David Gard, D-5th, said at this week's Town Council meeting, that the average monthly sewer bill will increase about \$15, with that money going to pay Lowell's share of the \$8.1 million project at the sewer plant. Half of the \$8.1 million will be paid by Cedar Lake, which shares the waste water treatment plant. Gard did not know when the project would begin. "We have no choice," Gard said. "This is not a surprise. This is the balance of work that IDEM (Indiana Department of Environmental Management) mandated."



COLUMNISTS ON INDIANA

Al Hunt, Wall Street Journal - The previous three presidents shared one political epiphany: they all grew to appreciate the value and wisdom of Richard Lugar. He was Ronald Reagan's point man for changing the dictatorship in the Philippines and reversed Republican support for South African apartheid; George Herbert Walker Bush told associates that Dick Lugar, with whom he initially had no relationship, became one of his critical Capitol Hill allies, and Bill Clinton briefly considered asking the Indiana Republican to be his Secretary of State. George W. Bush would be advised to learn those lessons. To date, as one Democratic senator notes, this White House has "underestimated and undervalued" the chairman of the Senate Foreign Relations Committee. That may be because the plain-spoken Hoosier doesn't always tell them what they want to hear. He supported the military effort to replace the regime but has repeatedly warned how difficult the post-war period will be. There is, he worries during a lengthy phone interview this week, "a yawning gap" between the hard-liners' notion of making Iraq "an exemplar of democracy" in the region and a desire for a quick transition to turn things over to the Iraqis. The chaotic and fractious efforts to bring together disparate elements have added to that confusion. The man in charge of reconstruction, retired Gen. Jay Garner, last month was slated to testify before Sen. Lugar's committee but cancelled; while stiffing the Foreign Relations panel, he gave the press a background briefing. Sen. Lugar is convinced Mr. Garner and the administration have been "ill-prepared" for this post-war phase. He notes huge questions on the horizon: How will Iraq's oil resources be run; how to handle its debt (possibly as much as \$400 billion) and how will that affect international cooperation; the role played by the United Nations and the

essential non-governmental organizations for humanitarian efforts; and the hazards of championing Iraqi exiles, who haven't been in the country for decades, as key elements in any governing entity. The "bigger risk," however, Sen. Lugar believes, is a too-quick U.S. withdrawal. ❖

John Krull, Indianapolis Eye -

Rushdie came to Indianapolis to read from his work, not discuss the war in Iraq. It was inevitable, though, that he would be asked about the war, and he was. What he had to say was illuminating, and in unexpected ways. Given Rushdie's background — he championed the cause of the Nicaraguan Sandinistas in the 1980s — one would expect him to criticize the Bush administration, and he did. He talked about the "half-truths and deceptions" the President and his team have relied on to make the case for going to war. He openly scoffed at the notion that Iraq posed any threat to the security of the United States. But he did not spare those who are opposed to the war, either. He said that he had been disappointed not to see, during the long, slow buildup to the war, any acknowledgement or discussion on the left of Saddam Hussein's crimes against humanity. Rushdie noted that Saddam has been responsible for deaths of more than two million of his own people, a significant portion of the population in a country of more than 20 million people. He called the fall of "one of the world's great bad guys" a cause for rejoicing. Rushdie's right, of course. His comments illustrate one of the fundamental breakdowns in the American political system. In this age of instant communication and non-stop discussion, it seems as if we have lost the ability to talk with each other. The more technology and media make it possible for us to debate and deliberate endlessly, the more we seem to have lost the ability to listen to each other. Or trust each other. ❖