The Howey Political Report

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"QUOTE" OF THE WEEK

"We should not underestimate the ethnic and religious rivalries of a long-repressed people."

- U.S. Sen. Richard Lugar, saying the U.S. plans in Iraq are 'at risk' on Wednesday.

An illustrious field, and a key election

Andrew, McIntosh kick off campaigns

By BRIAN A. HOWEY in Muncie

A case can be made that gubernatorial elections in 1848 and 1852 (canal bankruptcy and the new Constitution), 1860 (Civil War), 1924 and 1928 (Ku Klux Klan takeover and demise), 1932 (Great Depression) rank as critical pivot points in Indiana history.

And a case can be made that in 2004, Indiana is at another crucial threshold, with this past week as a penultiment element with the Joe Andrew and David McIntosh candidacies kicking off, leading up to the final crescendo next month when White House Budget Director Mitch Daniels enters the race and completes the field.

The travails of the the economic perils of the state have been well documented, ranging from a loss of more than 100,000 manufacturing jobs to Indiana leading the nation in mortgage foreclosures. The visions for the state from the assembling gubernatorial field, and the ability of the people, news media and political parties to gauge those visions to the stark realities are critical components.

At first glance, the tenor of this campaign is not off to a good start, despite the worthiness of the field. In a week when Democrat Joe Andrew and Republican David McIntosh formally entered their respective races, Hoosiers witnessed crudeness and indifference as a reaction to their candidacies. And the candidates themselves skimmed the issues, though that is to be expected with their initial rhetorical flourishes.

A worthy field

It's important to note that this particular group of can-

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MESSER ELECTED TO FIN-ISH STINE'S TERM: Indiana Republican Party Executive **Director Luke Messer has** been selected to carry late Rep. Roland Stine's torch in the Indiana General Assembly, Wednesday, Republican Party officials in Shelby and Bartholomew counties elected Messer to fill the remainder of Stine's term. Stine was killed in an auto accident last month involving a drunk driver. "It is with a heavy heart that I enter the General Assembly," said Messer. "Roland was a tremendous leader in our community, and I plan to work tirelessly to continue Roland's legacy of outstanding service." Messer plans to focus his work in the General Assembly on creating good-paying jobs in Indiana and ensuring that every Hoosier child receives a quality education. "Roland dedicated his life to teaching Hoosier children," said Messer. "I think I owe it to his memory and the future of our state to make sure Indiana has a first-rate public school system." Indiana Republican Party Chairman Jim Kittle Jr. called Messer's victory a win for Hoosier values. "Luke is a good friend and a trusted adviser. He shares a commitment to hard work, faith, and family with the people of Shelby and Bartholomew counties and I am confident he will represent them well

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Lugar tells Wolfowitz Iraq plans are 'at risk'

WASHINGTON - U.S. Sen. Richard Lugar, speaking at a Wednesday Senate Foreign Relations Committee meeting prior to testimony from Deputy Defense Secretary Paul Wolfowitz, called U.S. plans "at risk" in Iraq.

"I am concerned that the administration's initial stabilization and reconstruction efforts have been inadequate. The planning for peace was much less developed than the planning for war," Lugar said, echoing recent commencement addresses he gave at IU and Notre Dame.

Lugar added, "There is little understanding of the administration's short and mid-term plans and priorities to address increasingly urgent issues such as providing food, water, electricity, and fuel. U.S. and Coalition forces are struggling to create a secure environment to allow civil engineers and humanitarian assistance workers to do their jobs, but there seems to be insufficient military and police forces to establish this security. Given these circumstances, talk of a reduction in forces by year's end is premature. There also is uncertainty about the long-term plans for the transition from military to civilian authority in Iraq and increasing fear that vacuums of authority will lead to sustained internal conflict in Iraq and greater instability throughout the region. We should not underestimate the ethnic and religious rivalries of a long-repressed people."

didates, while largely dismissed by some pundits as "weak" or "back benchers," is in fact quite strong.

Looking at the emerging Indiana gubernatorial field, what strikes me is the high level of achievement. They are graduates of Harvard (Luke Kenley), Princeton (Mitch Daniels). Yale (Joe Andrew and David McIntosh), the University of Chicago (McIntosh) and the Indiana University Law School (Vi Simpson, Murray Clark and Eric Miller). They've worked for Presidents Ronald Reagan, George H.W. Bush, Bill Clinton, George W. Bush, and Govs. Frank O'Bannon and Evan Bayh. The field includes a former Democratic National Chairman (Andrew), a White House political director and OMB director (Daniels), a lieutenant governor nominee (Clark) and a ranking member of the Senate Budget Committee (Simpson). They have founded political think tanks (McIntosh and the Federalist Society: Miller and Advance America), and held big jobs at international companies (Daniels at Lilly).

This is not a milquetoast field that has assembled. Nor could it be construed as ethically challenged, despite the need for the perceived Republican front-runner -- Mitch Daniels -- to firmly address his role in the controversial IPALCO merger with AES.

The 'henchman'

Under the heading "Who is Joe Andrew? The Clinton's Political Henchman," Indiana Republican Chairman Jim Kittle Jr. issued a second assault on the Democratic field. Earlier, he called Sen. Simpson the most "liberal" member of the legislature.

"Henchman" at first seemed to be a crude term, easily calling up dark images of Nazi Gestapo or Mafia hitmen.

Webster's Dictionary defines the word as "a reliable underling; a worker for a political candidate, usually rewarded for his services."

In the release, Kittle observed, "Joe Andrew is one of the most partisan Democrat politicians in Indiana and in the United States. Hoosiers want their next governor to represent their values, not the values of Bill and Hillary Clinton, Ted Kennedy, and Tom Daschle."

There's a reason Andrew brought out such vitriol from Kittle. As Indiana

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Democratic chairman, Andrew was not only quite successful, but as an energetic partisan who was known to barnstorm Merrillville, Angola, Evansville and Lawrenceburg *on the same weekend*, Andrew developed a reputation for throwing cunning barbs.

Examples? Back in 1998, Andrew was in rare form. Of U.S. Rep. John Hostettler, Andrew said "This is a man who thinks the 2nd Amendment covers nuclear weapons." Of Jean Leising, Andrew warned, "Can you imagine Jean Leising replacing Lee Hamilton? That's when the Huns are at the gate; the barbarians are going to win."

In late October 1998, Andrew told Democrats at a rally in Anderson, "Sue Anne Gilroy is not a nice person. So people call her a witch." When then Republican Chairman Mike McDaniel protested, suggesting it "wasn't very nice," Andrew replied, "I apologize to all the witches who were insulted when I associated them with Sue Anne Gilroy."

But what Kittle is really attempting to do is tie Andrew to the Clintons. As the Monica Lewinsky scandal brewed toward impeachment in 1998, Andrew as Indiana chairman did not defend the president's conduct, but tried to steady the party.

His forecasts were uncannily correct. At the Democrats' annual gathering at French Lick in August 1998, Andrew explained, "If Bill Clinton just keeps talking and getting out in front of the voters, he'll be OK." Later he explained, "This is going to be a great year for Democrats. We are organized and energized."

Andrew said that as the storm clouds gathered. By Election Day, it was true. Democrats evaded big losses in Congress; in fact, the party almost took control. Andrew's Indiana Democrats won a stunning 53-47 majority in the Indiana House and held off Gary Hofmeister's spirited challenge against U.S. Rep. Julia Carson.

As Eric Berman got McDaniel and Andrew on the phone for a WIBC inter-

view, both commented and when Berman asked them to hang on until after a commercial, Andrew could be heard, "I'm in a big celebration!" Click.

It was easy to imagine smoke shooting out of any GOP ears that heard it. And it had happened before, when Andrew helped Frank O'Bannon pull off the stunning 1996 upset over Stephen Goldsmith.

Clinton's chairman

By February 1999, as President Clinton's impeachment drew to a close and his popularity stood around 65 percent, Andrew produced this in-your-face quote: "In the last month, the Democratic National Committee has raised more than twice as much from small donors as it had budgeted and almost three times as much as it has ever raised from small donors in an off-year. The only way people can express their frustration not just with what the Republicans are doing in the Capitol building, but more importantly what they're not doing by losing opportunity every day they're spending on impeachment to actually work on Social Security, to work on education, to work on helping to fight crime.

"We plan on surfing that wave all the way to victory," Andrew said.

As the Republicans' impeachment, and the national news media was riveted to every development, a man named Osama bin Laden in a faraway place was publicly promising jihad. Few paid any attention.

As for Clinton's "henchman" being rewarded for his service during historic times, after President Clinton left office in 2001 and became the titular head of the party, he moved his golfing buddy Terry McAuliffe in as DNC chair while Andrew went packing for a white shoe Wall Street firm.

The danger for Republicans like Kittle is that by demonizing someone like Joe Andrew, they also feed their private

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in the General Assembly.

Messer will continue to serve as executive director of the Indiana Republican Party.

ANDREW DRAWS SUP-PORT IN SOUTH BEND: Several prominent South Bend-area Democrats were in attendance as Joe Andrew made his gubernatorial announcement in a crowded lobby at Corporate Wings at South Bend Regional Airport. Among them were South Bend Mayor Stephen J. Luecke, state Reps. Tom Kromkowski and Ryan Dvorak, and St. Joseph **County Prosecutor Michael** Dvorak. Luecke insisted his presence should not be interpreted as an endorsement of Andrew. "Joe has a great history in the Democratic Party, a great energy, and knows how to get things done," Luecke said. "I think he'll make a great candidate for governor."

ANDREW STUMPS MUNCIE: Democratic gubernatorial hopeful Joe Andrew might be a business owner and lawyer, but he has plenty of support from organized labor (Rick Yencer, Muncie Star Press). "We propose the state invest in next-generation auto technology," Andrew said Wednesday during a campaign stop in Muncie. "We should not just

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assemble cars and trucks better than anyone else, but be a leader in technology that makes them safer. stronger and more reliable." Andrew mixed enthusiasm and optimism in a fiery speech before about 25 local labor leaders and other supporters at the **Delaware County Airport.** Labor unions representing auto workers, building trades and others already have endorsed Andrew over State Sen. Vi Simpson, D-Bloomington, also seeking the Democratic nomination for governor in 2004. Simpson has already visited **Delaware County twice this** spring and picked up support from fellow lawmakers Rep. Tiny Adams, D-Muncie, and Sen. Allie Craycraft, D-Selma. Andrew also received news coverage after Wednesday trips to Terre Haute, Clarksville and Lafayette.

ANDREW CALLS SIMPSON A 'FRIEND': "We have different experiences. We come to this race by different paths," Andrew said of Simpson, who has spent almost a quarter of a century in elective office (Kurt Van der Dussen, **Bloomington Herald-Times).** After serving four years as Monroe County auditor from 1981 to '84, Simpson was elected to the state Senate in 1984 and now is more than midway through her fifth four-year term. "Sen. Simpson is one of the finest

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monster. Andrew seems to thrive on such adversity and has made a career out of lifting the mirror to bounce back the attacks. "I take that as the ultimate badge of success," he said of Kittle's henchman remark. "I've seen partisan politics and I reject it."

Andrew also represented a sharp departure from the early Bayh-era campaign mode of raise a lot of money and launch the autumnal airwar. Under Andrew, the Democrats built a CD-ROM ground operation that preserved their gains in the legislature as well as 16 years of gubernatorial rule.

Candidate Andrew

The most interesting thing about this week was seeing the partisan Andrew attempt to transform himself into candidate Andrew. Gone were the caustic barbs and present was his listening mode. "It feels good," he said after his Statehouse rally on the steps beneath the statue of Gov. Oliver P. Morton. "It's easier to be fighting for my own ideas and plans."

Choosing the Morton site was no accident. Of all the Indiana governors, Morton was perhaps the most cunning. He ran in the crucial election of 1860 as lieutenant governor, then cut a deal with Gov. Henry Lane, who quickly resigned only to be appointed by Morton to the U.S. Senate. As the Civil War governor, Morton was shrewd, dismissing the legislature dominated by recalcitrant Copperhead Democrats, arranging for loans from New York banks to fund Indiana's war effort, ordering the executions of Hoosier deserters to such a degree as to make President Lincoln blanche, while becoming a key Lincoln confidante.

Andrew would feed off the comparison. This is an election -- like 1996 -- the Democrats are not supposed to win. His own nomination is hardly secured as many Democrats believe that a sharp departure from the past by nominating Simpson would be the best way to ener-

gize the party.

Candidate Andrew was already working to create some sort of bulwark behind the flagging O'Bannon governorship mired in a deep economic downturn, and his own candidacy.

"While it might be comforting to blame others for a lagging national economy that has deflated our own economy here at home, it doesn't explain why families are falling faster and harder in Indiana than virtually anywhere else in the nation," Andrew said at Poe. "It's time for us to lead the nation out of recession, not into one. The single most important challenge the next governor of Indiana will face is this: To make Indiana a leader in creating jobs. To make Indiana a leader in creating good jobs. To make Indiana a leader in creating jobs you can raise a family on."

Kittle intends to tie the Clintons and O'Bannons around Andrew's neck. But like just about everything else in recent Indiana political history on the statewide level, there is no such thing as a sure thing.

The media has voted

In most states, when an unsuccessful challenger defeated by popular governor lines up for a second shot, it would be big news. But this is Indiana.

By their actions last week, most reporters, editors, news directors and assignment editors saw the Mitch Daniels Republican nomination as ... a sure thing.

McIntosh helped fuel that beast. As the annointed one in 1999, his 2000 campaign against Gov. O'Bannon was poorly researched and executed. But O'Bannon adroitly used all the trappings of his office to fend off McIntos. Even if McIntosh had been in the kind of stride that helped him win six Congessional elections, he still probably wouldn't have defeated O'Bannon. Every governor with the ability to win re-election has ... easily.

But when McIntosh announced his campaign in Muncie last Friday, there

were only two television stations. Wire service reporters were absent. Most of the big Indiana newspapers didn't even carry a report in their Saturday editions. Mary Beth Schneider of the *Indianapolis Star* said she had to talk her editors into covering the event. Her Sunday column presented the same message you're reading over and over here ... Mitch Daniels' nomination and election is ... no sure thing.

Ruthie McIntosh wryly noted that a "7 and 1 record still isn't too bad."

As U.S. Rep. Mike Pence called McIntosh a "proven leader," and McIntosh compared Indiana to "Jimmy Carter's America" and sought a rebound into Ronald Reagan's sunny Republican orthodoxy, Joe Andrew's tormentor -- Jim Kittle -- was shadowing the event.

Kittle warned McIntosh to obey Reagan's 11th Commandment: "Never criticize another Republican."

But, in a sense, Kittle's own subtle actions were doing just that to the McIntoshes, Millers, Kenleys and Clarks. There is such an extraordinary undercurrent within the posh confines of Kittle's Meridian Street headquarters to clear the field behind Daniels, as to almost see his nomination as a foregone conclusion.

That's prompted McIntosh to cast his candidacy in an "out-state versus Indianapolis elite" setting, vowing to run his campaign in 31 counties.

It would be easy to come to the conclusion that Mitch Daniels is ... a sure thing. He was Reagan's political director, helped run Eli Lilly, and serves a popular sitting president. But Daniels still has to do what John Mutz, Linley Pearson, Stephen Goldsmith and David McIntosh didn't do, which is take the promise of their candidacy and execute.

Daniels will have to defend the soaring budget deficits that belie his nickname of "The Blade." He has to explain IPALCO so that it isn't an issue next April or October 2004. And he has to believe that President Bush will have Iraq on the right track, as well as the American econ-

omy.

Are these ... sure things?

Daniels' pedigree suggests he has the intellect and ability to execute. But the other gubernatorial campaigns tell the story of a recent Lincoln Day in Logansport where the emcee introduced Daniels as "Mitch Williams," caught himself and in a self-deprecating manner repeatedly tried to make light of the situation. Daniels didn't quite let it go, telling the crowd something to the effect that "when most people find themselves in a hole, they stop digging."

The spin from the other campaigns was ... can Mitch Daniels eat corn dogs at county fairs and deal with the common man?

If he doesn't, the odd man out could be Jim Kittle himself.

The Republican chairman has alienated every gubernatorial campaign now in the field, a sharp contrast to Mike "Switzerland" McDaniel who decided to let Republican voters in the primary decide.

Kittle has also set up his Republican headquarters to house the 2004 governor's campaign. But the assessment we're hearing from various quarters is that it's not going to happen.

One GOP operative told HPR, "The Republican State Committee will have one key job and that is to get out the vote."

When it comes to the concept of execution, the Kittle era has been in high gear on one crucial aspect: Raising money. But its two most conspicuous venues since he took office, the 2002 Republican convention and last week's visit by President Bush, were problematic in their execution. There weren't enough polling booths during the secretary of state nomination floor fight and the voting took hours. At last week's Bush visit, legislators, donors, prominent party chairs and the news media were turned away at the door.

Ouch! �

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state senators in Indiana." Andrew said, adding he considers Simpson and her husband, Bill McCarty, a former state senator and now state utility regulator. to be friends. Andrew was asked Wednesday about an issue on which Simpson is taking heat from Bloomington area environmentalists: I-69. He was asked whether he favored routing the highway via Terre Haute, as highway foes propose, or supports the route through Bloomington that Gov. Frank O'Bannon picked earlier this year. Andrew replied that "Gov. O'Bannon has made this decision" and that he's not sure to what degree the next governor can influence it.

KITTLE PREDICTS SUC-CESS IN 2004: State Republican Party Chairman Jim Kittle is confident the GOP will win big in 2004, not only winning the governor's office for the first time in 16 years but also knocking off Democrat Evan Bayh in his bid for re-election to the United States Senate (Vincennes Sun-Commercial). That was the message he took to local party faithful Tuesday evening during a visit to the home of Eric and Michelle Holcomb. Eric Holcomb is district director for Rep. John Hostettler, R-Wadesville. As for the Republican governor's race

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in 2004, Kittle said the state party will not take sides among the five announced candidates and White House budget director Mitch Daniels, who has announced his resignation in less than a month and is expected to run for governor. "I'm not sure if the party taking sides will even help anyone," Kittle said, saving it alienates voters. "I think any of our candidates could win." Kittle thinks Bayh has been running for the Oval Office since he was Indiana's secretary of state. "Birch was 'unbeatable."" Kittle said, referring to Bayh's father, former U.S. Sen. Birch Bavh, "but an unknown Dan Quayle beat him."

IRSAY SAYS COLTS WILL STAY THROUGH 2013: Barring a breakdown in his team's lease negotiations with city officials, Colts owner Jim Irsay vowed Wednesday to keep the club in Indianapolis through at least 2013. However, Irsay continued to leave himself an escape clause. "We're going to be in Indianapolis for a long time," he told The Indianapolis Star while taking a break from the NFL owners' meetings, which concluded Wednesday. "I'm going to live up to my part of the lease. It's through 2013. "That's the kind of person I am. I'm not running out from under that lease." Irsay said a payment from

Derr, Jennings launch 8th CD campaigns

By MARK SCHOEFF JR.

WASHINGTON -- Kevin Derr has volunteered for Jonathan Weinzapfel, Gail Riecken, Paul Perry and Bryan Hartke. Those erstwhile Democratic congressional candidates all have one thing in common: a defeat at the hands of GOP Rep. John Hostettler in the 8th CD.

Beginning on Tuesday, Derr will take matters into his own hands to oust Hostettler from the seat he has held since 1994. Derr, the owner of a Boonville trucking company, will declare his candidacy for the 8th CD Democratic nomination during a district tour through Greencastle, Terre Haute, Vincennes, and Evansville. After witnessing several failed campaigns, Derr thinks he has the formula for beating Hostettler.

"I'm tired of losing," Derr said. "To win this district, someone has to be willing to put John Hostettler in a head lock, start swinging and not stop until November (2004)." Derr implied that Hartke didn't execute that type of gameplan in 2002, when boundaries were redrawn to give the district a Democratic majority. "Bryan Hartke is a great man and Bryan ran a great campaign for Bryan. We didn't have an opportunity to test redistricting with the Hartke campaign. This will be the first true test of the new district."

Jennings Leads Money

Before Derr can take on Hostettler, he must win the Democratic nomination. One opponent may be Hartke, who did not respond to an interview request from HPR. Another challenger is certain -- Jon Jennings, a Newburgh investment manager and Midwest scout for the NBA Boston Celtics.

Jennings filed his candidacy on March 17 and had \$24,450 cash on hand, according to his March 31 Federal Election Commission report. That amount bested Hostettler's total, which was \$10,095. Derr has not filed an FEC report.

His fast start in the money competition is a result of his national fundraising base, Jennings said. His network developed based on relationships he established in Boston, where he was an assistant coach, executive in the Celtic organization, and leader of a nonprofit organization that promoted racial harmony. He augmented that network in Washington, where he was a White House Fellow in 1997-98 and later held a position in the Department of Justice. Jennings, a Richmond native, moved to Newburgh, where his wife's family is from, after another brief stint in Boston following the end of the Clinton administration in 2001. Jennings began his NBA career in the Indiana Pacers organization.

"We're much further ahead than I thought we would be at this time in terms of fundraising, institutional support, and grass-roots support," said Jennings, a 1982 graduate of Indiana University, where he was a manager for the basketball team. "I'm very fortunate because of life experiences that I'm able to raise money outside of the district and Indiana."

One place he'll generate cash is in Washington. He has a June fundraiser planned in the capital that will feature Red Auerbach, the longtime Celtic coach and executive. A Washington Democratic campaign source says that Jennings is the preferred candidate of the Democratic Congressional Campaign Committee, the party's House campaign organization. Chris Sautter, a Democratic media consultant in Washington who has worked on Hoosier races for 20 years, said that party leaders at a DCCC briefing last week were "very excited" about the Jennings candidacy. "The Democratic party clearly favors him," Sautter said.

Derr is not phased by Jennings' early support. "Most of them do not amount to one vote in the 8th District," he said. "When it comes to being on the

575

392

178 174

)7

ground in this district, to being from this district, there's no illusion as to who the winner will be--and that will be me."

The ground war also is the key to defeating Hostettler, Derr said. The incumbent Republican has been vulnerable in each election, consistently pulling out victories with little more than 50 percent of the vote. Democrats start with high hopes against Hostettler, but in the end can't overcome his deep and fervent conservative grass-roots organization.

"He is vulnerable if Democrats vote," said Derr. "Not only do we have to outraise John Hostettler, we have to get our grass-roots organized." That's where Derr's background as a union activist will come in. "We're using those same time- honored techniques," said the 1996 University of Southern Indiana graduate.

Focus on Economy

Both Derr and Jennings believe that this time around, the faltering economy will make Hostettler vulnerable. "We're living in more difficult times than what he's ever run in before," said Jennings. "We're back to bread-and-butter issues that really, really matter." The priority is to create jobs in the district that will keep graduates of local colleges and universities in the area. A member of Congress must be "someone who can sit across the table from CEOs and convince them to relocate to the district or expand a plant in the district."

Derr is articulating a similar theme. "We don't need jobs as much as we need good-paying jobs." His economic priorities would include repealing "tax giveaways to the rich," balancing the federal budget to free up capital for business, and increasing infrastructure spending. "We need to create public investments that the private sector can build off of."

Sautter said economic angst may be the most important dynamic in the election. He cited a recent focus group survey in Indiana that showed swing voters support President Bush but are upset about the economy. "Those swing voters will take their anger out on incumbents in offices other than the presidency, assuming the economy stays as bad as it is or gets worse," he said. .*

2004 Racing Form

U.S. Senate: Republican: Marvin Scott, Matt Kelty. **Democrat:** U.S. Sen. Evan Bayh. **1992 Results:** Coats (R) 1,267,972, Hogsett (D) 900,148. **1998 Results:** Bayh (D) 1,012,244, Helmke (R) 552,732. **2004 Forecast:** Matt Kelty, a former aide to U.S. Sen. Dan Coats, is considering a run at Bayh (See Ticker Tape) *NUVO's* Fran Quigley, who is extremely

close to U.S. Rep. Julia Carson, drew up "articles of impeachment from the Democratic Party" for U.S. Sen. Evan Bayh. "Evans Bayh III, junior senator from the State of Indiana, is impeached for conduct unbecoming a member of

HORSE RACE

the Democratic Party, and that the following articles of impeachment be exhibited to the court of Democratic voters of the State of Indiana and the United States of America," Quigley wrote. He added, that State Sen. Glenn Howard (D-Indianapolis), a member of the Black Caucus, was so frustrated by Bayh's disconnect with the grass-roots of the party that he recently boycotted a caucus meeting with the Respondent. Sen. Howard's concerns were heightened by last week's tax cut vote. "I was very disappointed that he joined in with the Republicans," Howard said. And Quigley quoted former Marion County Democratic Chairman Steve Laudig, "When I learn that Bayh's top contributors are Conseco, Morgan Stanley and the Carlyle Group, I'm not surprised he voted the way he did. Weasels are not endangered species in Washington. It's unlikely I'll ever vote for him again." Quigley urged a trade of Bayh to the Republican Party in exchange for U.S. Sen. Richard Lugar **Status:** Solid D.

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the city within the next 30 months could approach \$30 million.

BAYH UNLIKELY TO VOTE FOR FINAL TAX BILL: House and Senate Republican tax writers Wednesday reached a tentative agreement on a \$350 billion tax-cut plan that is considerably smaller than what the House and President Bush wanted but appears to have enough support for quick passage (Washington Post). The plan largely adopts the House's prescription to trim taxes on capital gains and stock dividends for at least five years, while lowering income tax rates and encouraging business investment. Negotiations Wednesday evening trimmed an initial agreement by \$30 billion to apparently secure the vote of Sen. George Voinovich, R-Ohio, and ensure passage in the narrowly divided Senate. Sen. Evan Bayh, D-Ind., is unlikely to back it. Although Bayh voted for the package last week, he warned that his support would evaoprate if the final bill contained "gimmicks."

KELTY CONSIDERS RUN AT BAYH: Fort Wayne Republican Matt Kelty is pondering a run against Democrat U.S. Sen. Evan Bayh in 2004 (Fort Wayne Journal Gazette). Kelty - a local architect who nearly captured Democrat Rep. Win Moses Jr.'s

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Statehouse seat last year said several people have asked him to consider seeking the Republican nomination. He has not discounted such a move, saving he wants to do more research on the possibility. Beating Bayh is generally considered a long-shot because of his immense popularity and a mighty political war chest. But Kelty thinks, "Bayh may be more beatable than he thinks he is." He specifically noted similarities between Bayh and Moses. 'Evan Bayh is a two-term governor and an incumbent senator. Win Moses was a two-term mayor and an incumbent representative," Kelty said. "No one thought Win Moses could be beaten and similarly nobody thinks Evan Bayh can be beaten. "It's like waving a red flag in front of me." Moses beat the upstart Kelty in a recount by a margin of just 63 votes.

CLINTON, BUSH, ALI TO ATTEND 500: The largest single-day crowd in American sports will include former Presidents Clinton and Bush, adding a unique security concern for planners at the Indianapolis 500. Other celebrities expected for Sunday's race include former boxing champion Muhammad Ali, film maker Steven Spielberg and television talk-show host David Letterman.

NO HPR NEXT WEEK: There will be no weekly edition of HPR next week. We will return on June 5.❖

COLUMNISTS ON INDIANA

Jack Colwell, South Bend Tribune -Most significantly, Lugar, just prior to the war, warned the Bush administration that it was moving too slowly in developing plans to rebuild Iraq. "It appears to me that the work on what happens after hostilities is well behind the military planning," Lugar said. He also disputed the claims of administration spokesmen such as Defense Secretary Donald Rumsfeld that Iraqi rebuilding could be swift and involve limited costs. "The United States must begin humanitarian relief activities immediately upon securing territory in Iraq," said Lugar, "and preparations for reconstruction must move forward with the same vigor as military preparations." He said security would be crucial in providing safe water, electricity and health services. He warned that it would be necessary to have military and civilian personnel in Iraq for "an extended period of time" in order to prevent "regional instability, ethnic warfare, failure to eliminate all Iraqi weapons of mass destruction and establishment of terrorist bases on Iraqi territory." It's kind of interesting that Lugar sought testimony before the Foreign Relations Committee from Jay Garner, the retired lieutenant general who had been designated to head an office of reconstruction and humanitarian assistance, on reconstruction plans. It's kind of interesting that Garner declined to testify. It's kind of interesting that Garner now is to leave as top civil administrator in Iraq amid complaints of lacking security, stability and basic services. ❖

Mike Leonard, Bloomington Herald-Times - Vendors outside the Indianapolis Motor Speedway are complaining that they've never seen business this slow. Speedway officials, never very forthcoming on ticket sales or attendance figures, acknowledge that sales for this Sunday's Indy 500 have been sluggish and there are

"limited" numbers of reserved seats available. A look at those seats on the Speedway's Web site seems to indicate that there isn't much difference between "limited" and "lots." The downturn at Indy is so bad that the 500 almost didn't fill its traditional field of 33 cars. What happened to the Greatest Spectacle in Racing? And how did it happen so quickly? A year ago, it looked like owner Tony George had triumphed in the ill-timed split in IndyCar racing and had lured all of the best drivers and teams back to the Memorial Day classic. Now, things are back to where they were when the split began, with foreign racers almost equaling the number of domestic drivers in the field. Operational costs have spiraled back up to the point that racing is too expensive a proposition for medium and small players. 🌣

J. Cameron Carter, Indianapolis

Eye - If Daniels' political adversaries think that Hoosiers will go to the polls and say, "Oh my God, I can't vote for him. He's a deficit-spender!" then they need to think again. They also need to be prepared to defend their own fiscal records, or explain just exactly which part of the Bush military and homeland security build-up they don't support and why. Ditto for the president's, and by extension, Daniels' tax cuts. In a variation on the carpetbagger theme, the campaigns of certain Republican gubernatorial candidates claim that being from Indianapolis is a political liability for Daniels, and that they will have a secret army of grassroots support around the state. These campaigns seek to establish an intra-party battle of a populist "us" vs. an Indy-based elite "them." Memo to those campaigns: Daniels is drawing record GOP crowds at numerous Lincoln Day dinners in the Hoosier hinterlands. It seems regular folk like the guy.

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