

The Howey Political Report



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“QUOTE” OF THE WEEK

“Am I comfortable with the way it was portrayed? Let me put it this way: I wasn’t thinking about it.” - Indianapolis Mayor Bart Peterson, on how 75 percent of his 2004 budget cuts won’t save taxpayers money, to the

Indianapolis Star

High anxiety on the national front

A volatile scenario for Bush, Dems

By **BRIAN A. HOWEY** in Indianapolis

The final paragraph in an op-ed piece by Steven E. Schier in *The Hill* newspaper was fascinating: “Whether or not they succeed, the Bush presidency promises to enter the history books as one of the most politically ambitious of all time -- because of its efforts to reshape the entire political landscape.”

The election year 2004 is now only five months and a day away. Within seven months, we will probably know the name of the Democratic presidential nominee. How the bold and radical Bush presidency and his challenger take shape over the next several months will certainly impact the Indiana political environment, whether there is a full-fledged state tax revolt or not.

And there has been great anxiety expressed over the last several days within both the Democratic and Republican parties.

On Monday, the Bush campaign was warning the GOP faithful that 2004 will be more like the 2000 cliff-hanger than a Nixon or Reagan re-elect landslide. “Our numbers look good today,” Bush campaign manager Ken Mehlman told Republican National Committee members at the end of a four-day meeting in New York (*Washington Times*). “These numbers will come down. We must prepare for an election every bit as close as the 2000 election.”

Domestically, Bush has put most of his marbles in the three tax cuts with the latest U.S. Treasury checks featuring an Austin, Texas, origin and a slogan “Tax relief for America’s families” going out this week.

But with towering deficits, a rising jobless rate, and

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NBC/WSJ POLL HAS BUSH AT 56 PERCENT: President Bush had a 56 to 38 percent approve/disapprove rating in the latest NBC/Wall Street Journal poll. President Clinton stood at 47 percent in a July 1995 poll by the same group.

ECONOMY GROWS AT 2.4 PERCENT IN 2ND QUARTER: The U.S. economy, lifted by consumer and business spending, broke out of the doldrums and grew at an annual rate of 2.4 percent in the second quarter of 2003, the strongest showing in nearly a year (Associated Press). The improvement in the gross domestic product in the April to June quarter, reported by the Commerce Department Thursday, came after two straight quarters of lousy economic growth. GDP increased at just a 1.4 percent pace in both the final quarter of 2002 and the first three months of this year.

DANIELS DOESN'T OFFER SPECIFICS: Republican candidate for governor candidate Mitch Daniels steered clear of specifics as his RV tour of all 92 counties pulled into Lake County for the first time (Steve Walsh, Post-Tribune). So far, the celebrated policy wonk has put few specific proposals on the table. He said Wednesday he would prefer

the smallest pay raises since the mid-1970s, the economy is no slam dunk for the president. At Wednesday morning's Rose Garden press conference, President Bush was asked why his program hasn't worked, despite what he termed a "shallow recession." Bush recited the litany of recession, terror, war and corporate scandals before saying, "There are hopeful signs. Over next 18 months, most economists believe we'll see positive growth." Such answers were a far cry from the "dead or alive" or "bring 'em on" defiance he has projected during his two wars.

Lugar's warnings continue

Then there is the war in Iraq. Here, it is a Bush ally, U.S. Sen. Richard Lugar, sounding the most urgent alarms. *Newsweek's* coverage under the headline of "A Billion Dollars a Week" and 10 pages of thumbnail photos of slain U.S. soldiers featured Lugar heading out to the Baghdad airport on a highway in a Humvee last June. An accompanying general yelled at an exposed topside machine gunner to duck. Lugar was told that Iraqis sometimes loop wires down from overpasses to decapitate the exposed top-side GIs.

Newsweek reported, "By the time Lugar's trip to Iraq was over, the Indiana Republican worried the American people were being blindsided, too, by the true costs in blood and treasure of a war that has yet to end."

Lugar was quoted saying, "This idea that we will be in Iraq just as long as we need to and not a day more is rubbish! We're going to be there a long time. Where does the money come from? How is it to be disbursed, and by whom?"

This past week, chairing his Senate Foreign Relations Committee, Lugar was steadily more critical of the Bush administration. A *Boston Globe* article by Nina J. Easton began, "Sen. Richard G. Lugar criticized the Bush administration's reconstruction efforts in Iraq yesterday as haphazard and called on the president to request supplemental spending legislation

committing American taxpayers to tens of billions of dollars in aid over the next four years."

The White House needs "the discipline of actually constructing a budget for four years," said Lugar. "We need to begin to fill in the blanks. We cannot have continuous surprises, a sort of gotcha trail, as we keep running out of money."

Easton reported, "Lugar's remarks were striking because he is a respected figure on foreign affairs who staunchly supported the war and generally avoids publicly challenging fellow Republicans in the White House. Lugar said political considerations had prevented the administration from adequately preparing for the task of rebuilding postwar Iraq: Any official planning in the months leading up to war would have suggested that the administration had already decided to invade, regardless of the outcome of the United Nations weapons inspections, he said. "We couldn't look as if we were preparing, so we weren't preparing," Lugar said at the Carnegie Endowment for International Peace.

Newsweek reported that the Bush administration's costs for war are faulty due to a near physical collapse of the Iraq power grid, its oil industry, and the looting and burning of most Iraqi ministries, which means that reconstruction must begin from scratch.

With Deputy Defense Secretary Paul Wolfowitz seated before him, Lugar noted, "Because of some combination of bureaucratic inertia, political caution, and unrealistic expectations left over from before the war, we do not appear to be confident about our course in Iraq. Our national sense of commitment and confidence must approximate what we demonstrated during the Berlin Airlift -- a sense that we could achieve the impossible, despite short time constraints and severe conditions of risk and consequence. We still lack a comprehensive plan for how to acquire sufficient resources for the operations in Iraq and how to use them to maxi-

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mum effect.”

And Lugar added, “A major untapped resource with the potential for changing the dynamics on the ground in Iraq is the international community. The United States needs to build a new coalition to win the peace. Involving other nations in Iraq will help reassure the Iraqi people that the results of our nation-building efforts are legitimate. At the same time, international involvement will reduce the burdens on the U.S. taxpayer and help maintain the American people's political support. Just as we called upon our military strength to win the war, we need to call on the strength of our diplomacy to overcome pre-war disagreements with allies and reach a new consensus on how to ensure that Iraq emerges as a peaceful and stable nation. We may need a new U.N. Security Council resolution, or some other form of international commitment to increase assistance to Iraq.”

Wolfowitz responded in the classic Bush cowboy mentality, “Speed is of the essence here and the U.N. isn't always speedy.”

When Bush was asked about it by the press on Wednesday, he said, “In my line of work, it's always best to produce results and I understand that. I believe it will. I never expected a Thomas Jefferson to emerge in Iraq in a 90-day period. I'm confident history will prove we made the right decision.”

Combustible politics

An unstable economy and a war with mounting costs, casualties, along with the lack of a long-term plan is a recipe for political disaster.

Democratic suicide angst

While some Republicans fretted and others strutted, national Democrats were equally anxious, particularly with the populist emergence of former Vermont Gov. Howard Dean as a top-tier candidate.

“It is our belief that the Democratic

Party has an important choice to make: Do we want to vent or do we want to govern?” asked Sen. Evan Bayh, chairman of the Democratic Leadership Council at its national conversation in Philadelphia (*New York Times*). “The administration is being run by the far right. The Democratic Party is in danger of being taken over by the far left,” he said.

When a reporter asked whether Democratic woes were a result of Republican attacks or Democratic mistakes, Bayh responded with a curt two-word answer that silenced the room. “Assisted suicide.”

It was a broadside aimed at Dean, who has emerged as a McGovern/McCarthy anti-war Democrat to whom Republicans love to attach the word “liberal.” This despite Dean's gubernatorial tenure as a fiscal conservative with an endorsement from the NRA.

A Zogby Poll of Democrats revealed that 69 percent believe Bush will be re-elected. A DLC poll by Mark Penn revealed a significant erosion of men from the party. Penn said his polling indicates that since President Clinton left office in 2001, more Americans believe Democrats are the party of big government and higher taxes and he said Bush's handling of the war on terrorism has opened up a huge gap with Democrats on who is more trusted on issues of national security. “If Democrats can't close the security gap, then they can't be competitive in the next election,” said Penn.

Within hours of that quote, Bush was bracing the nation for credible threats of a new wave of Al Qaeda airline attacks, and an NBC News investigation reported that the hunt for Al Qaeda has been degraded due to the war in Iraq.

HPR's prognosis

The high degree of anxiety in both parties is reasonable. There is great volatility on the national front and any “conventional wisdom” is highly suspect. ❖

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to wait to see how reassessment shakes out before designing a plan to deal with property taxes. On whether Lake County was unfairly penalized when the casino admission tax revenue was capped in the compromise that brought dockside gambling, Daniels said he didn't know. “I don't want this to turn into a nerd fest. This campaign is going to be about people,” he said. The specifics are coming, he said. The campaign is working on position papers, starting with an economic plan. He has set no time frame for when it is going to be released. “This is a 15-month race,” he said.

BALBONI DOES: Former St. Joseph County Democratic Chairman Ideal Balboni died this morning at age 93. “He was one of the great politicians of our time,” said current Chairman Butch Morgan.

PATRICK RAISES MONEY AT ILLINOIS TRACK: Far from the grit of East Chicago and nowhere near the drama playing out in a Crown Point courtroom, East Chicago Mayor Robert Patrick reveled with his supporters Wednesday. They sipped fine wines and dined on pricey hors d'oeuvres, betting on horses at Arlington Park racetrack. Patrick rented two luxury

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suites at the track, and about 50 people came for the afternoon fund-raiser, reportedly at \$1,000 a person. Among them were businessmen, lawyers and other Pastrick political supporters, but few elected officials. They loosened their ties and raised a drink to a man whose political career is being threatened by a recount challenge. Never in Pastrick's 32-year career has so much remained in doubt so long after a primary. Pastrick granted an interview after some attendees complained to security about an uninvited visitor lingering near the suites. But Pastrick, advised of the Post-Tribune's presence, shooed away security and chatted on a couch just outside the rented suite as waiters tidied up inside. The mayor said he isn't concerned with how this recount case has made his city look, as "I'm only responsible for running the city. I'm not worrying about what other people are doing." He complained that reports in the Post-Tribune, independent of what's come out in court, haven't made him "look good. But our day is coming," he said. "We're going to let everything come out in court. I believe this judge is fair and honest and will do the right thing. That's what I expect."

MUNCIE CANDIDATE GIVES AWAY GAS: There's nothing better than a free raffle,

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For McIntosh, it feels like 1994

By MARK SCHOEFF JR.

WASHINGTON - If you listen to David McIntosh talk about the race for governor, it sounds as if he's the underdog. Although the former congressman lost to incumbent Democratic Gov. Frank O'Bannon in 2000, McIntosh harkens back to his maiden congressional campaign in 1994 when discussing his current run for the governor's mansion.

"This time I get to be me. It feels a lot like 1994, when nobody knew who we were. We came from behind and won the race," he said in addressing a crowd of more than 60 supporters at a fundraiser in Washington on July 22. "We ran on strong ideas and a vision."

McIntosh may be feeling like the insurgent candidate because the Indiana GOP politerati are coming out in favor of Mitch Daniels. Since Daniels kicked off his campaign for the gubernatorial nomination in June, he has garnered substantial media coverage and embarked on a string of lucrative fundraisers.

But McIntosh is not exactly buried in the pack. A recent poll conducted by the Indiana University Public Opinion Laboratory on behalf of WISH-TV showed he had a 73-42 percent name ID lead over Daniels.

His previous attempt to become the state's chief executive taught him a few lessons, McIntosh said. The first is that the soft-spoken but staunch conservative has to reveal more of his personal side to the voters. "They didn't know faith in God was the most important thing in my life," he said.

Property Taxes Redux

Conservatism also will be reflected in his policy stances. "I'm going to stand up and say we need to fix our property tax mess," said McIntosh, a former aide to President Reagan and then-Vice President Dan Quayle. "I'm going to stand up and say I'm unabashedly pro-life and I'll defend those values. And stand up and say

that Indiana needs a new constitutional amendment, a taxpayer bill of rights that limits the ability to spend money so that we don't have these deficits."

A signature Reagan issue was tax cuts. Now that some Hoosiers are being hammered with reassessments that double their tax bill in some cases, McIntosh intends to remind voters that he focused on property tax reform in the 2000 race. He launched a commercial this week, nearly 10 months before the primary, that urges people to call in with their tax complaints.

The commercial begins with an elderly woman looking into the camera and saying, "David McIntosh was right. He warned that our taxes would go up. Those government boys in Indianapolis sure lied to us." McIntosh also appears on camera, saying, "As governor, I'll lead the fight to clean up Indiana's tax mess."

The commercial was partly the idea of McIntosh supporter J. Patrick Rooney, who urged the McIntosh campaign to cut the commercial and get it on the air while people are still opening their tax bills. "There's a term, *carpe diem*," said Rooney. "You should make use of the anger of the people. The people are really upset. If he gets out there clearly on the property tax issue, it's his issue." The ad runs on network and cable TV in Indianapolis this week and next week in nine other counties where tax bills have been sent.

"Over the next six months, we'll have a tax revolt because people are feeling they've been lied to and misled," said McIntosh.

Indianapolis Elite

His main issue might be the same, but McIntosh will change his tactics this time around. He said that the past several GOP gubernatorial nominees suffered from being seen as the Indianapolis candidate. "We don't want to use the same playbook that hasn't worked. Ours is

going to be different. We're going to campaign in the rest of the state and come back to Marion County and the doughnuts and win those, too," he said. In a riposte to the phrase coined by President Bush, "My man Mitch," McIntosh says, "I'm the man from Muncie."

But Daniels won't let his rival paint him into the capital city corner. "That is an obvious sort of tired charge that is often made," said deputy Daniels campaign manager Ellen Whitt. Daniels is in the midst of a statewide RV tour in which he'll visit all 92 counties. "It isn't an Indianapolis-based campaign," said Whitt. "He's taking the campaign to the state, and he's serious about that. He's going to be on the road the whole time."

Battle of Washington

Outside the borders of the state, though, another battle is brewing between McIntosh and Daniels. This one is for the hearts and minds of the political powers in Washington. Daniels ostensibly has the support of President Bush. But McIntosh is not ceding ground there.

He portrayed the July 22 fundraiser at the Capitol Hill Club, where he raised between \$150,000 and \$200,000, as an indication of Washington strength. "I think it means that the smart money in Washington knows that we're going to win," said McIntosh, who believes he'll need to raise about close to \$12 million for the race. The Daniels campaign has set a goal of \$15 million.

Among the "special guests" listed on board at the fundraiser were five senators and 43 House members. None of the senators showed up. Several of McIntosh's former House colleagues did, demonstrating a bond among the class of 1994. A Hoosier member of that class, GOP Rep. Mark Souder, was listed as a "special guest," but did not attend.

The Indiana congressman who replaced McIntosh in the House, Rep. Mike Pence, attended the fundraiser. He said that he committed to supporting

McIntosh in 2004 shortly after the 2000 election. "My only ambition in this job is to be a man of my word, and that's why I'm here," said Pence.

But Pence doesn't relish being on the other side of the Bush White House, which has been a political Medici for him. "I'll confess that it is uncomfortable," said Pence. "But Indiana has an embarrassment of riches in this primary. I still kind of wish there were two jobs, and some people think there are." Pence met with Daniels in his Capitol Hill office on July 17. He said that Daniels did not ask him to switch his allegiance. "There isn't anyone in public life that I respect more than Mitch," he said.

Mitch's Muscle?

Although the White House may be keeping a low profile, McIntosh indicated that some of Daniels' state advocates might be trying to intimidate potential McIntosh supporters. "They have to be careful not to project that image," McIntosh said. "The Republicans are an independent lot. Most of them feel that in the primary you present (the candidates) and let Republicans make their choices."

The Daniels campaign denies it is using strong-arm tactics. "There's no sort of intimidation going on," said Whitt. "We are busy forwarding Mitch's candidacy."

Ready to be Governor

No matter what's occurring in hand-to-hand combat among partisans, McIntosh believes his experience in 2000 puts him ahead of Daniels in his grasp of state issues. "He's hesitant. He's wondering what expectations (people have of him)," McIntosh said of Daniels. "There's a difference between state and federal issues. I was like that in 2000, and it came across to voters. He may be a good guy, but he's not ready to be governor. And now I'm ready to be governor. I feel it in my bones, and I'm going to campaign that way."



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especially when the prize is gasoline (Muncie Star Press). Dan MacDonald, Republican candidate for a Muncie City Council at-large seat, and his supporters handed out hundreds of raffle tickets at the Delaware County Fair last week for \$20 gift certificates, redeemable at local Hoosier Pete convenience stores. MacDonald said the free raffle represented "a simple show of support to the citizens," along with a response to high gasoline prices.

AGUILERA ACKNOWLEDGES 'MISTAKES' WITH RESIDENCY: State Rep. John Aguilera and his wife have formally declared they are Munster residents on at least two occasions (Steve Patterson, Post-Tribune). When they enrolled their oldest daughter in Munster schools, they claimed a Munster address as their home. When they filed for a property tax credit for their primary home, they filed it for Munster. But Aguilera, D-East Chicago, is sternly denying a Post-Tribune report that he is raising his family outside the city and outside his legislative district. Aguilera owns a home in East Chicago, which he claims is his full-time residence, and he owns a home in Munster, which he says is a weekend getaway. But School Town of Munster records show Aguilera's

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oldest daughter is registered at the family's home in the 8200 block of Oakwood Avenue, Munster. And Lake County auditor's office records show that last year, Aguilera filed paperwork requesting a homestead property tax exemption for his house in Munster — an exemption that can only be applied to the house he considers his primary home. Though Aguilera initially denied having a homestead exemption in Munster, he later admitted to it, also acknowledging his daughter is improperly enrolled in Munster schools. "We're working to take care of these issues," Aguilera told the Post-Tribune on Tuesday. "We've made mistakes, but we're doing everything we can do to clear it all up. I've not intentionally violated anything. My integrity is intact. I remain committed to East Chicago and to raising my family there."

NEW DUTIES FOR LONG THOMPSON: Former Congressswoman Dr. Jill Long Thompson, will become CEO and Senior Fellow of the National Center for Food and Agricultural Policy in Washington effective Aug. 1. The center is a non-profit, independent organization founded in 1984. In recent years, the center has been extensively involved in policy analysis and education

2003 Racing Form

TRENDLINE: How potent is the property tax revolt likely to be? Newspaper reports out of Grant and Bartholomew counties suggest that the public's ire is going to extend well beyond Indianapolis, Bloomington and Evansville. Gubernatorial candidate David McIntosh reports that it is a "rising tidal wave." But how it plays at the ballot box remains to be seen because the lines of demarcation are not confined to one political party. Indianapolis Mayor Bart Peterson might have been more vulnerable, had not City-County Council Republicans signed off on the spending binge.

HORSE RACE

In the legislature, the plan was carried by largely Senate Republicans and House Democrats. My colleague Ed Feighenbaum at *Indiana Legislative Insight* is predicting that previously safe urban Democratic seats in Lake County may come into play once the anger takes a tangible form. The ol' Horse agrees with that assessment. But if it remains largely an urban issue in Democratic districts, Senate Republicans will have little impetus to seek legislative remedies next winter, figuring the crisis will pave the way for the first Republican governor in 16 years. That's why Senate Finance Chairman Larry Borst's seat becomes a linchpin. If he begins feeling real heat in Perry Township from challenger Brent Waltz in the May 2004 primary, the Senate could be motivated to act in a "save the old Dog Doctor" mode, though there is a significant percentage of Borst's own caucus who won't feel too compelled to come to his rescue.

The biggest motivator for the legislature could come in the fall mayoral elections. If enough of a "throw the bums out" dynamic lashes out indiscriminantly at incumbent mayors and council members, that will send a chill throughout the paranoid House and Senate where members hold a deep fear of their own constituents. Numerous city sources are telling HPR that it could happen.

2003 Indiana Mayoral Races

East Chicago Mayoral: Republican: None. Democrat: Mayor Robert Pastrick, Councilman George Pabey. **1999 Primary Results:** Pastrick 5,772, Stephen Stiglich 3,790. **1999 General Results:** Pastrick (D) 3,027, Acost (R) 629. **2003 Forecast:** The trial in LaPorte County continues, with Judge King sending out warrants to bring in Pastrick lieutenants who, once rounded up, will take the Fifth. We sense that Pastrick is in the greatest danger of his career because a no-nonsense judge without Lake County ties is calling the shots. And there's been enough evidence of dead voters lying around the same address in suspect precincts to give credibility to the Pabey challenge. This could be the most riveting political trial of the century. **Court Status:** *LEANS PABEY.*

Fort Wayne Mayoral: Republican: Linda Buskirk. 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 released a comprehensive 40-page platform titled "We Can Do Better." Buskirk starts the platform by saying, "Fort Wayne is facing an economic crisis. Thanks to political posturing, a business as usual mentality, global economic pressures, and the failure of city and state governments to address our problems, we are witnessing record job losses and a failing economy." Buskirk notes that Fort Wayne has lost

16.8 percent of its manufacturing jobs -- 13,000 -- since June 1998. She also points to record bankruptcies, falling wages, and the exodus of young people. Her program focuses on retention and expansion of existing businesses. She wants to "raise the accountability of local economic development. Most significantly, in Chapter 5, Buskirk writes, "I emphasize the need to promote cooperation between local units of government, even to the point of merger." Wow! Folks are starting to listen to the ol' Horse. **General Status:** *Leans Buskirk.*

Indianapolis Mayoral: Republican: Treasurer Greg Jordan. **Democrat:** Mayor Bart Peterson. **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 announced that he is slashing \$11.8 million from the 2004 budget. But he acknowledged to the Indianapolis Star today that 75 percent of that money for IndyGo is simply an accounting shift that won't reduce taxes. These have to be surreal days for the mayor. Once thought to be the cornerstone of his re-elect campaign, the 1999 "Peterson Plan" has receded into the battlefield smog of a property tax rebellion. We figure the fall media campaign is probably undergoing a major overhaul to reflect the current brutal realities. As we've said in the past, we still don't perceive Peterson to be in deep political trouble at this point. **General Status:** *Likely Peterson.*

Indiana 2004 Gubernatorial

Governor 2004: Republican: Mitch Daniels, David McIntosh, 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:** McIntosh goes up on the air with a populist property tax revolt commercial, inviting angry citizens to call his campaign with their horror stories. It's a smart move on his part. Another is to pick up on HPR's call for a dramatic restructuring of government. McIntosh is calling for elimination of township government. He said that the idea is resonating in urban areas. Places such as Wabash County, which has two small towns (Wabash and North Manchester) fret about their local needs being met. McIntosh notes that while he wants to see caps on spending, "Local governments still have to be able to accomplish their missions." McIntosh is beginning to engage Daniels, taking issue with his I-69 stance of more study. "We absolutely need I-69. It has to be our No. 1 infrastructure priority for the state," McIntosh said during a Monday campaign event at Newburgh Cafe (John Martin, *Evansville Courier & Press*). "I'm familiar with the issue from running last time. I don't think the folks in Indianapolis know how important this is for Southern Indiana." Daniels has picked up the endorsements of 40 Republican county chairs, including Allen County Chairman Steve Shine. "He has tremendous political acumen and I think he will use what he has learned in both the public and private sectors to manage the affairs of the state," Shine said. Don't put too much stock in that statistics. In 1996, Rex Early had two-thirds of the county chair endorsements and was still easily defeated by Stephen Goldsmith. On the Democratic side, Simpson picked up the EMILY'S List endorsement. This is significant because it will open up national fundraising resources for her. "They don't get involved in races unless they think it's a winnable race," Simpson said (Mary Beth Schneider, *Indianapolis Star*). Andrew had a shrewd comment to the *Star*: "They don't endorse men." The *Fort Wayne Journal Gazette* speculated on a potential Democratic union ticket. "Mr. Andrew and the senator have not had a conversation in the last two weeks and our position has been and will remain that the state needs a governor with experience," Simpson spokesman Jason Kinney said. "We've offered him the job of lieutenant governor because we think he should do a reality check." Andrew explained, "I have had several talks with Vi Simpson but I have made a commitment to keep those conversations confidential and private. It is certainly true that many people across the state believe passionately that we would be a great team. But I want to keep any discussions private." **General Status:** *Tossup* ❖

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related to a succession of farm bills, international trade, domestic food policy issues, pesticide use and biotechnology.

DEAN LEADS KERRY IN NEW HAMPSHIRE POLL: Democrats Howard Dean and John Kerry are deadlocked in a New Hampshire poll of likely voters in the presidential primary (Associated Press). The Franklin Pierce College survey showed Dean at 22 percent, and Kerry "at 21 percent.

FLOYD COUNTY COMMISSIONER PREDICTS GOVERNMENT CONSOLIDATION: Floyd County Commissioner John Reisert says a forecast of slow population growth for Floyd County could push city and county governments to merge more departments in an effort to reduce costs in the face of a stagnant tax base (Louisville Courier-Journal). One of the things Reisert said may have to be considered is combining the city and county police departments. But in terms of a total merger, he said the long tradition of independent city and county governments should continue well into the future. If the predicted trends continue, however, experts say changes will have to be made.

CURLEY MEETS WITH CROWN POINT REPUBLICANS: Lake County

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Republican Chairman John Curley is back in the good graces of Crown Point's GOP precinct organization (Post-Tribune). He got an unexpectedly warm reception when he met with about 15 committeemen Wednesday. "It surprised me. It was very cordial," said Curley, who days earlier was the target of widespread criticism after he forced city GOP Chairman Peter Roth to resign. The move led longtime Republicans to complain to the state Republican party, and some even talked about forming a separate political group. But at the mid-week precinct meeting the focus was on party unity. "It was a very productive meeting," said Robert Kerr, a 9th precinct committeeman.

SIMPSON TO HONOR McCLOSKEY: State Sen. Vi Simpson (and State Rep. Brian Hasler announced they would join other Democratic leaders in co-hosting a tribute fundraiser in honor of their "mentor and friend," former Congressman and Bloomington Mayor Frank McCloskey. The fundraiser, which will benefit Democratic mayoral candidates and feature personal tributes from McCloskey's former colleagues and staffers, will be held during the Indiana Democratic Editors Association meeting in French Lick. Indiana State Party Chair Joe Hogsett has agreed to serve as honorary chair of the

COLUMNISTS ON INDIANA

Brian Howey, *Indianapolis Eye* -

Here's my take on the "blame" game. This looks like it was a classic over-reach by key business groups, namely the Indiana Chamber of Commerce and the Indiana Manufacturers Association. Both organizations, particularly the IMA, which had watched more than 100,000 jobs in its sector vanish, knew they had to create a better atmosphere to attract or grow companies. Thus, when Senate Finance Chairman Larry Borst drew up the historic 2002 reforms, the Chamber's Kevin Brinegar and the IMA's Pat Kiely were at his elbows. Kiely and Brinegar were doing what they were paid to do, which is lobby to create the best business environment they could for their constituencies. Both have been very persuasive over the years about how the reforms were essential to creating a new generation of jobs. But the art of governance is always a squall line, with the various special interests groups pushing against each other for the best possible scenarios. The most critical function of Statehouse power brokers such as Democrat Bauer and Republican Borst is to achieve some sort of equilibrium where the pendulum doesn't swing too far one way or the other. They were quite artful about it in 1997 when big labor pushed for worker compensation reforms that in the end didn't hurt business and industry at all despite their fervent opposition. Obviously, when it came to the 2002 tax restructuring, things went too far toward business and industry. Brinegar, Borst and Kiely can spin it any way they want and blame "local units of government." The problem is that cities and counties are under the gun on a plethora of "unfunded mandates" coming out of Indianapolis and Washington. The natural foes of the Chamber and IMA, such as the Indiana State Teachers Association and big labor, had joined in a coalition seeking the reforms. This was almost a movement

of panic, a "don't just stand there, do something" scenario. There was widespread relief at the Statehouse by just about everyone when the deal was struck.



Charlie Cook, *National Journal* -

The downward drift in President Bush's approval ratings that began after the major hostilities in Iraq ended on May 1 have continued through July, and, if preliminary numbers hold, even through the killing of Saddam Hussein's sons last week. Two combined July Ipsos US Public Affairs/Cook Political Report polls of 1,520 registered voters indicated that Bush's overall approval ratings had drifted to 57 percent for the month, down from 61 percent in May (margin of error +/-2.6 percent). Keep in mind that in the Decembers of their third year in office, Presidents Nixon, Carter, Reagan, Bush I and Clinton all had Gallup job approval ratings of between 50 percent and 54 percent. ❖

Jack Colwell, *South Bend Tribune* -

"Can you hear me now?" Sen. Richard G. Lugar could use that line, so familiar from the cell phone commercial, to inquire of President Bush whether he now hears Lugar's words of warning about inadequate planning for after the initial military success in Iraq. Long before military action against the regime of Saddam Hussein -- action Lugar firmly supported -- the chairman of the Senate Foreign Relations Committee repeatedly urged better planning for bringing stability and democracy to Iraq. He also called for candor about the cost and length of occupation. The Bush administration turned a deaf ear. Easy now to see why. Defense Secretary Donald H. Rumsfeld at that time was playing down the cost. Reconstruction falters. Guerrilla war continues. Rumsfeld admits costs have climbed to \$4 billion a month. Oil trickles rather than gushes. ❖

PERHAPS... WE WANDER

By Brian Howey

The Great Dove

FRENCH LICK - My lone campaign experience came back in 1970 as a Young Republican in Betty Rendel's Miami County GOP. U.S. Rep. Dick Roudebush was the political source of my teenage affiliation, and the villain was U.S. Sen. Vance Hartke.

Hartke was a liberal Democrat representing a generally conservative Republican state. My hometown of Peru was Nixon territory, an Air Force town, and most of us supported the war in Vietnam. Hartke was one of the first Democrats to split with President Johnson over Vietnam, and was referred derisively as the latter part of "Senators Bayh and Bought." Hartke won in 1970, by about 4,000 votes, or less than a vote per precinct despite my efforts of distributing emry boards and yard signs.

I learned a lot of lessons from the Nixon years: that politicians, even the president, could lie and break laws. As a college student in the mid-1970s, the entire "domino theory" ruse was revealed. Twenty years later, LBJ's tapes revealed that from the get-go, he and people like Defense Secretary Robert McNamara knew that Vietnam was unwinnable.

None of this was enough to save Hartke from defeat at the hands of Dick Lugar in 1976. Hartke largely faded into obscurity as a Washington lawyer, save for one minor brush with campaign laws a decade ago during the push for casinos (part of his violations were singing and playing the piano for voters).

Last summer, I found myself sitting face to face with Vance Hartke for an hour in the ornate lobby of the French Lick Springs Resort. He was pushing the 8th CD candidacy of his nephew, Bryan (complete with straw hats), and even at 83 years old, he was vibrant, funny and reeled off story after story. The war

drums were beating in Washington as a prelude to the American invasion of Iraq, and here I was sitting with the man who had lead the peace movement. "I was the only senator who spoke at the Moratorium," Hartke recalled. "The Kennedys wouldn't do it. I was the great dove."

Hartke was the first Democratic senator to break with President Johnson on Vietnam, on Jan. 8, 1965. "It hurt me back home," he said. "People have not forgiven me to this day in Indiana for breaking with my own party. They said it should be, 'My country right or wrong' and I would say, 'No, that's not the phrase. It should be 'My Country right or wrong, may she always be right, but if she is wrong, put her right.' Now look, even McNamara says it was wrong."

As for the looming war with Iraq, Hartke said, "I agree with Armev. I agree with Bayh. I agree with Lugar. Before you ask someone to fight for their country, you have to define a noble cause."

A year later, it was the man who defeated Harkte - Lugar - pressing the president to define the scope and cost of the "noble cause." Lugar was gracious in his views of Hartke: "For the past two decades, Vance Hartke has offered congratulations and encouragement for all to hear as I tackled difficult foreign policy and national security problems."

As I left Hartke's company last summer, he handed me a small velvet pouch with a U.S. Senate keychain inside. My first political rival had become at long last a friend.

Hartke's voice still echoes after Andy Jacobs finished his IDEA keynote last August: "I'm getting tired of presidents in either party killing our kids to get points in the polls." At the end of the speech, Hartke's voice could be heard throughout the hall: "Andy! Andy! That was a great speech!" ❖

TICKER T A P E

event

MONROE COUNTY TAX RATES WILL GO UP: The cost of caring for troubled kids from failing families is about to get almost \$3 million more expensive for Monroe County property taxpayers next year. And close to \$2.5 million of the added money will have to come from higher property taxes, to the tune of somewhere around \$5 for every \$10,000 of a home's taxable assessed value (Bloomington Herald-Times). So if your house's taxable assessed value after homestead credits and deductions and your mortgage deduction is \$100,000, you'd be looking at something in the area of a \$50 tax hike. And the bad news for property tax payers doesn't stop there. County Auditor Barb Clark said Wednesday the Monroe County Council is going to have to set the 2004 property tax levies for each of two local agencies — the Center for Behavioral Health and the Stone Belt Center — at about \$640,000 each instead of the \$405,000 each the Monroe County Council and commissioners had budgeted for them.

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