

The Howey Political Report



The *Howey Political Report* is published by NewsLink Inc. Founded in 1994, *The Howey Political Report* is an independent, non-partisan newsletter analyzing the political process in Indiana.

Brian A. Howey, publisher

Mark Schoeff Jr., Washington writer

Jack E. Howey, editor

The Howey Political Report Office: 317-254-1533
PO Box 40265 Fax: 317-968-0487
Indianapolis, IN 46240-0265 Mobile: 317-506-0883

brianhowey@howeypolitics.com
www.howeypolitics.com

Washington office: 202-775-3242;
Business Office: 317-254-0535.

**Subscriptions: \$350 annually via e-mail;
\$550 annually including the HPR Daily
Wire. Call 317-254-1533 or 254-0535.**

© 2003, *The Howey Political Report*. All rights reserved. Photocopying, Internet forwarding, faxing or reproducing in any form, in whole or in part, is a violation of federal law and is **strictly prohibited** without consent of the publisher.

“QUOTE” OF THE WEEK

“It’s too early to become elated. You don’t look a gift horse in the mouth or try to get in the Speaker’s mind.”

- Senate Finance Chairman Larry

Borst, to the *Fort Wayne Journal Gazette*

A simmering kettle of Statehouse stew

Political expediency versus ideology

By **BRIAN A. HOWEY** in Indianapolis

There have been weird scenes inside the bankrupt goldmine ... er ... Statehouse, where government resembles a Chinese fire drill. You may bear witness:

House Speaker B. Patrick Bauer and Senate Republicans told Gov. Joe Kernan that the state’s \$1 billion budget deficit is his problem. To which the governor responded, “I have been told some members said ‘this is not my problem. It’s Joe’s problem.’ I assume those members must be from some other state. This is our problem, our challenge.”

Earlier this week, with Senate Republicans declaring impasse, and Bauer feeling the heat of 300 angry landlords storming the city offices in South Bend yelling to public officials, “Get out of your offices and walk the land,” (*South Bend Tribune*) the Speaker retreated. “We cannot do the impossible,” Bauer told the *Fort Wayne Journal Gazette*. “We cannot knock down a solid brick Republican wall. I’m not going to put our feet in concrete.”

On Tuesday, House Democrats signed off on the Senate plan, to which Senate Finance Chairman Larry Borst explained, “We’ve never characterized this bill as property tax relief.” Any true changes, he said, would have to come after reassessment is concluded in the 92 counties. If you live in Allen County, that won’t come until next spring.

IU economist and columnist Morton Marcus was appalled at the special session that some were calling the “Save Rep. Orentlicher” initiative. “In 1994 there was a movie called ‘Dumb and Dumber.’” Marcus began. “If it were made today, it would feature the majority of the

INSIDE F E A T U R E S

Ticker: Bush to end steel tariffs	p. 2
2004 HPR 50 Most Influential List	p. 4
Allen, Vanderburgh restructuring	p.6
2004 Horse Race: Congressional Roundup from all 9 CDs	p. 7
Columnists: Kennedy, Howey	p. 8

TICKER

T A P E

BUSH TO END STEEL TARIFFS TODAY: CNN's "Inside Politics" reported Wednesday that the President's decision to lift steel tariffs "will be announced by the administration" today that the President is in fact lifting most of those sanctions he imposed on imported steel 20 months ago. The administration will say it is prepared to take steps to help the steel industry if there is this sudden rush of imports from overseas against the industry." The New York Times reported, "The administration will argue that the temporary trade protection allowed American steel makers to get themselves in shape to survive against intense global competition. Details of the announcement were still being worked out on Wednesday evening, and one administration official said the timing could still change."

SEN. SMITH WON'T RESIGN: A state senator facing trial on felony tax charges said he will not resign to obtain a plea agreement and intends to seek a second term next year. "Why should I resign? I haven't done anything wrong," state Sen. Sam Smith, D-East Chicago, told the Post-Tribune of Merrillville. Smith was scheduled to go on trial

Indiana House of Representatives. A cameo role would be reserved for the mayor of Indianapolis. The majority of the House and the mayor of our Capital City want to cut property taxes for people who live in older homes. These homeowners have been escaping appropriate taxation for years because an unconstitutional assessment practice favored older homes. Now the revisionists in the legislature, bent on nullification of the Supreme and Tax Court rulings, are pressing for undoing what reassessment was intended to do: Set right the property tax system in this state."

Marcus continued, "The Indianapolis mayor and his co-conspirators in the General Assembly have engaged in a grotesque play for public approval. First, they want to lower taxes on older homes because they believe that older homes are more costly to maintain and hence should pay lower taxes in order to be attractive to potential buyers. This is an out-and-out misunderstanding of basic economics."

The special session has left the Indiana Chamber of Commerce rattled. The *Lafayette Journal & Courier* reported this morning that "state chamber members are concerned that plans to phase out Indiana's inventory tax could be jeopardized as lawmakers review the impact of reassessment on homeowners, said Reggie Henderson, director of economic development for the state chamber. "We are in a very difficult situation," he said. "There's only so much tightening we can do of the belt. I think in many situations we may be getting to as tight as we can be."

Tata, too

On the issue of trade, Gov. Kernan wrote President Bush asking him not to end the steel tariffs, which the White House is expected to announce today. And Gov. Kernan, in an attempt to derail any political liability from the contract with the Indian firm Tata International, announced he was pulling the contract and seeking *Indiana* firms. This came after

intense pressure from Republican State Sen. Jeff Drozda, who had been making his isolationist case against the Tata contract from the *Kokomo Tribune* to CNN's *Moneyline with Lou Dobbs*.

Kernan said last week that the agency's request for competitive proposals was put together and advertised in a way that "virtually knocked Indiana companies out of the running." and added, "That is not the way I choose to do business."

Kernan and Lt. Gov. Kathy Davis launched a new initiative, "Opportunity Indiana," that will ensure the state buys even more goods and services within Indiana. "While we want the best product at the lowest price, we also want to make sure Hoosier companies have every chance to be a part of what we do at the state level," Kernan said. "As leaders, we have an obligation to build the capacity of our businesses here at home."

The actions of Kernan and Drozda brought criticism from the National Foundation for American Policy. "Both Democrats and Republicans have acted poorly in the episode," wrote Stuart Anderson and Cesar Conda in a letter to the *Indianapolis Star*. "Democratic House members complained and the governor caved, while the Indiana GOP reprinted an anti-outsourcing article on its website and ... Drozda introduced a bill that allows work in service contracts with the state to be performed only by U.S. citizens or individuals authorized to work in the United States."

Anderson and Conda concluded by saying, "While it is unlikely Kernan will reverse his decision, one hopes that greater intellectual rigor and a dose of common sense will prevent actions of this type in the future."

Tech Point Chairman Cameron Carter, writing in his *Indianapolis Eye* column in October, noted, "Republican opponents of the now Kernan administration who reflexively attacked the DWD decision (and those, like me, who defended it) need to remember core GOP values

Continued on page 3

Time for the 2004 HPR 50 Most Influential List

Dear HPR Subscriber:

Well, the 2003 HPR 50 Most Influential list needs major revisions, due to death, indictment, war and defeat. We can only hope our annual list of the most powerful in Indiana politics doesn't take the trappings of the *Sports Illustrated* cover hex.

It's time to make your submissions for the *2004 HPR 50 Most Influential List*. Ponder the 2003 list (and other years going back to 1999 at www.howey-politics.com) and make your additions, subtractions and reordering. Send me your thoughts, or even your own complete list to:

brianhowey@howeypolitics.com.

It will be published in the Jan. 8 edition of HPR and a January edition of *The Indianapolis Eye* magazine. Cheers!

2003 HPR Most Influential List

- | | |
|--|---|
| 1. Sen. Richard Lugar | 26. Ken Zeller |
| 2. OMB Director Mitch Daniels | 27. Fort Wayne Mayor Graham Richard |
| 3. U.S. Sen. Evan Bayh | 28. Evansville Mayor Russell Lloyd Jr. |
| 4. State Sen. Larry Borst | 29. U.S. Rep. Mark Souder |
| 5. Senate President Pro Tempore Robert D. Garton | 30. Lee Hamilton |
| 6. House Speaker B. Patrick Bauer | 31. State Sen. Murray Clark |
| 7. Gov. Frank O'Bannon | 32. David McIntosh |
| 8. GOP Chairman Jim Kittle | 33. Eric Miller |
| 9. U.S. Rep. Mike Pence | 34. House Minority Leader Brian Bosma |
| 10. Indianapolis Mayor Bart Peterson | 35. Supt. Suellen Reed |
| 11. State Sen. Vi Simpson | 36. U.S. Rep. Baron Hill |
| 12. Joe Andrew | 37. Secretary of State Todd Rokita |
| 13. U.S. Rep. Steve Buyer | 38. Attorney General Steve Carter |
| 14. Ambassador James Morris | 39. U.S. Rep. John Hostettler |
| 15. Lt. Gov. Joe Kernan | 40. Michael Gerson |
| 16. Democratic Chairman Peter Manous | 41. U.S. Rep. Pete Visclosky |
| 17. Ways and Means Chairman William Crawford | 42. U.S. Rep. Chris Chocola |
| 18. Marty Morris | 43. Bob Grand |
| 19. Kevin Brinegar | 44. Mike Fichter/Betty Cockrum |
| 20. Pat Kiely | 45. Allen County GOP Chairman Steve Shine |
| 21. Dan Clark | 46. St. Joe County Democratic Chairman Butch Morgan |
| 22. U.S. Rep. Julia Carson | 47. Lake County Sheriff Roy Dominguez |
| 23. U.S. Rep. Dan Burton | 48. Marion County Democratic Chairman Ed Treacy |
| 24. Ambassador Dan Coats | 49. Tim Goeglein |
| 25. House Majority Leader Russ Stilwell | 50. Jack Colwell |

such as commitment to market-based economics, free trade, government efficiency, and fiscal responsibility on behalf of taxpayers. The Tata decision was the right decision -- for now. Let's make sure that all that can be done is done to allow Hoosiers first crack at such contracts in

the future."

Full day kindergarten, redux

On the gubernatorial front, Republican Mitch Daniels supported the full-day kindergarten concept as he

TICKER T A P E

Dec. 18 in Indianapolis on seven felony counts, including theft and failure to pay taxes on his funeral home business and his income, including his legislative pay. A judge last week postponed Smith's trial until April 13. Smith said he is repaying the tax money to the Indiana Department of Revenue. If convicted on all counts, Smith would face up to four years in prison. Marion County prosecutors have offered to negotiate a plea agreement, Smith said, but they insist he resign his Senate seat as one of the conditions. Smith's scheduled trial date in April would fall after the Feb. 20 deadline for candidates to file for the primary election in May. "I am going to run," Smith said. "Why should I let the Marion County prosecutor decide? I'll run and let the people decide whether I should be elected."

LANDESS ANNOUNCES FOR LUTZ SEAT: Indiana House District 35 could produce the most hotly contested race in eastern Indiana next year (Rick Yencer, Muncie Star Press). Jesse E. Landess, vice principal at Indiana Academy of Cicero, announced this week that he would see the Democratic nomination for the House District 35 seat now held by State Rep. Jack Lutz, R-Anderson. Landess, a former Salem Township

continued on page 4

TICKER

T A P E

Board member, is expected to be challenged by Kent T. Saunders, an Anderson University economics professor, who has filed an exploratory committee to raise money for the Democratic nod.

CARRELL TO CHALLENGE AUSTIN: Ron Carrell, founder of Anderson Technology group, filed an exploratory committee seeking the Republican nomination for House District 36 in Anderson and Madison County (Muncie Star Press). "The legislature has failed to adequately address the property tax issue and now some Madison County residents will see a massive property tax increase," Carrell said. The District 36 seat is now held by State Rep. Terri Austin, D-Anderson, who was elected last year.

BORST TAKING WALTZ CHALLENGE SERIOUSLY IN HIS 'LAST RACE': Now in his ninth term in the Senate, Sen. Larry Borst is gearing up to run for another four-year term, which he says will be his last (Bryan Corbin, *Johnson County Daily Journal*). In past elections, Borst has trounced token Democratic opposition. But in the May primary, he will face a Republican challenger, Johnson County Council member Brent Waltz, an investment banker 46 years younger than Borst. For his part, Borst is

continued on page 5

endorsed Supt. Suellen Reed's re-election bid. The first question out of the mouths of reporters was: How are you going to pay for a program costing an estimated \$120 million? It comes at a time when Indiana schools just laid off more than 1,000 teachers and face demanding federal No Child Left Behind standards. Daniels responded by saying that it's money the state will have to find.

Pull my finger, I'll pull your leg

And then there were Borst's jaw-dropping quotes in the *Johnson County Daily Journal* on another sticky topic: Gaming. On his decisions a decade ago to allow horse tracks and casinos, Borst told reporter Bryan Corbin, "You can't say it was incorrect because they've all been absolutely successful." Had gambling opponents not linked the lottery and pari-mutuel, Indiana might not have riverboat casinos today, Borst said. "The consequences were something nobody had imagined, including me. I had no idea it would be this popular. I make the prediction that with the popularity of this, within 20 to 30 more years in the state of Indiana there will be half a dozen to a dozen more casinos."

In this swirling bowl where the populace is angry and full of angst, the deficits are in the billions, the Colts are

seeking millions, and there is little adherence of ideology and sound economics, where is this three-ring circus heading?

Say the phrase "pull tabs" and the pious at the Statehouse say there's already enough gaming in Indiana. This as the state-run Hoosier Lottery puts Vegas/slots themed vending machines in grocery and convenience stores. Talk to legislators about restructuring government and you get the reaction similar to that of a House Republican: It's too hot to talk about. And this from a party that claims allegiance to business-like efficiency of government service delivery.

The easy solution is to apply the screws to local governments by capping levies. As Angola Clerk-Treasurer Debra Twitchell explained to the *Fort Wayne Journal Gazette*, "It's hard not to feel that you're being governed from Indianapolis. I have e-mailed my local legislators saying please don't do anything until they can evaluate all the data."

What "statesmen" stewing in the kettle are doing is stoking up a new class of challengers in 2004 from the very ranks of municipal government they're attempting to screw.

As the old saying goes ... all's well at the asylum.



Allen, Vanderburgh eye government restructuring

By BRIAN A. HOWEY

Speaking of government restructuring, this is a topic few in the legislature have the guts to even let the words tumble from their lips. They've responded with a government efficiency study, or a Hoosier Grace Commission.

But there is some interesting developments on the local fronts.

The Evansville City Council on Monday formally ratified establishment of the committee to study merging city and county governments, while suggesting not to rush into implementing any consolida-

tion effort (Herb Marynell, *Evansville Courier & Press*). The Evansville-Vanderburgh Unification Committee, appointed earlier this year by city and county councils, is in the early stages of the study, committee member Phil Fisher told the City Council. Committee members are "educating ourselves" about local governments, finding city, county and township governments "more complicated than anyone thought," Fisher said. Some committee members favor unification, while others don't, but all are keeping "an open mind" on the issue, he said. There is

more information to collect, and input needed from the public and government officials, he said. If the committee should support government unification, the earliest the Legislature could be asked to authorize a Vanderburgh County referendum on the issue would be 2005, Fisher said.

In Fort Wayne, on Jan. 1, 2006, with the annexation of much of Aboite Township, the city's population could surpass 250,000, meaning Fort Wayne would join Indianapolis as the only Indiana cities designated under state law as "first class" cities because their populations are at least 250,000 (Dan Stockman, *Fort Wayne Journal Gazette*). Current Indiana law would require the consolidation of Allen County and Fort Wayne governments by

Jan. 1, 2007, if Fort Wayne becomes a first-class city in 2006.

But it may do so while kicking and screaming. Stockman reported, "Many say a forced consolidation is unlikely."

"The question is, is Allen County going to have to do that when the Aboite annexation is complete?" said Andy Downs, director of the Downs Center for Indiana Politics. "I think we can find a lot of attorneys who are willing to argue both sides of that issue."

"We don't think a cookie-cutter approach, to have the state government impose that on local government, is the best way," said Brian Bergsma of the Greater Fort Wayne Chamber of Commerce. Instead, the Chamber is lobbying for a study committee. ❖

Indiana 2004 Racing Form Indiana 2004 Gubernatorial, Legislative

Governor 2004: Republican: Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris, Bob Parker. **Democrat:** Gov. Joe Kernan, Roy Graham. **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:** Kernan campaign movers and shakers include Bernie Toon as campaign manager, Steve Bella as communications director, Scott Downes as press secretary, and Mike Edmondson as finance director. The campaign website -- joekernan.com -- is coming soon. Daniels endorsed Suellen Reed for a fourth term as superintendent of public instruction. Former New York City Mayor Rudolph Giuliani endorsed Daniels for governor. Giuliani noted that Hoosiers would be "probably right" in asking what someone from New York knows about Indiana. But, he said, people should take "a very good look" at Daniels, the man he credited with helping New York get the federal aid it needed after the Sept. 11 attacks (Indianapolis Star). "(Daniels) didn't just sit back in Washington," Giuliani said. "He wanted to see for himself what was happening, what was needed, and then stayed on top of it every minute of the way . . . which is the way he handles everything, and that's why he'll be a really great governor." In Fort Wayne on Wednesday, Daniels rolled up his sleeves for preventive health care and was rewarded with a sharp stick in the arm (*Fort Wayne Journal Gazette*). He brought his campaign RV to Fort Wayne for a stop at the Matthew 25 Health and Dental Clinic, where he got a flu shot. At Matthew 25 and other clinics, "they're doing the most noble work we know of, which is providing health care to people who can't afford it," Daniels said. Daniels defended the Republicans' record on health care for the poor, saying President Bush is doubling the number of community medical centers and providing a prescription drug benefit under Medicare. "This is not a partisan issue," Daniels said. "These are practical issues. We're going to do all we can to support, through public and private efforts, the tremendous work such as that done by Matthew 25," he said. **Republican**

Primary Status: *Likely Daniels*; **General Status:** *Tossup*. ❖

TICKER T A P E

taking the Waltz challenge seriously. Borst has kept a higher profile recently, attending Greenwood City Council meetings and other public events in the Johnson County portion of Senate District 36. "It's a matter of staying in touch," Borst said. "If I'm going to be challenged and the challenger is a well-known figure in Johnson County, of course I'm going to do that." For now, Borst is concentrating on the special session dealing with property taxes. Though he is author of the Senate Republicans' modest bill, Borst opposes making major changes to the system until more counties finish reassessment. Hammering out a compromise between the two versions will likely be yet another challenge for the ever-patient, ever-pragmatic Senate Finance chairman. "In every legislature, every session, psychology reigns; and every one you can sit back and put a name on it," a bemused Borst said. "On this one, I haven't quite decided."

LLOYD PREPARES FOR NEW LIFE: Political watchers speculate that Evansville Mayor Russ Lloyd Jr., will find a government liaison position with a major Downtown bank or business (Evansville Courier & Press). Lloyd, though, won't comment on

continued on page 6

TICKER
T A P E

job prospects in the private sector. The mayor also said he will take classes in Indianapolis to reactivate his certified public accountant's license. Being mayor since Nov. 4 is "in some ways less fun," Lloyd said. "You can't plan ahead very well. I take the attitude to do what I can and move on to another chapter. Former mayors generally are happy people. We go back to the private sector, where there are not all of the demands," Lloyd said. "It's nice to be out of the limelight." The senior Lloyd was a witty, gregarious, charismatic mayor with the ability to convince the public on important issues. The younger Lloyd admits he never demonstrated those abilities to the public. "I guess there were expectations among the populace that I'd be like him," Lloyd said. His inability to match his father's public persona may have hurt him among older voters, Lloyd said.

NANNEGA RESIGNS FROM PORT AUTHORITY: An open seat on the Indiana Port Commission has been one of the consequences of Gerry Nannenga's guilty plea on public corruption charges (Post-Tribune). Nannenga resigned from the Port Commission after his indictment and before he pleaded guilty to accepting a kickback in a \$10 million land deal. No new appointment has been announced

2004 Congressional Racing Form

Congressional District 1: Republican: Open. **Democrat:** U.S. Rep. Pete Visclosky. **Geography:** Lake, Porter, Newton, Jasper, Benton counties. **Media Market:** Chicago. **People:** 87/13% urban/rural; median income \$44,087; Poverty 10%; Race: 69.8% white, 18.2% black; 10% Hispanic; blue/white collar 31/53%; **2000 Presidential:** Gore 56%, Bush 42%; **Cook Partisan Voting Index:** D +7, **2002 Results:** Visclosky 90,443 (67%), Levya (R) 41,909 (31%). **2002 Money:** Visclosky \$755,668, Levya \$11,956. **2004 Outlook:** This is the safest Democratic seat in Indiana. National Journal's liberal/conservative ratings for Visclosky are 75-25% on economic issues; 70-30% social; 56-41% foreign. On key 2002 votes, Visclosky voted against the Bush tax cuts, the Iraq war, trade promotion authority and faith-based charities; Visclosky voted for campaign finance reform and partial birth abortion ban. **Status:** *SAFE VISCLOSKY.*

Congressional District 2: Republican: Chris Chocola. **Democrat:** Joe Donnelly, Steve Ross, Bill Carnegie, Jill Long Thompson. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties.

Media Market: South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2000 Presidential:** Bush 53%, Gore 44%; **Cook Partisan Voting Index:** R+5; **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2002 Money:** Chocola \$1.69m, Long Thompson \$1.535m. **2004 Outlook:** Chocola should benefit from Bush being on the ticket (unless Iraq turns into a quagmire) and a rebounding economy. Chocola voted for the war. Chocola had \$365,074 at the end of September. District Democrats are expected to endorse Donnelly, a Granger attorney, though he will face opposition from Ross, who ran back in 1984, and Carnegie, who heads a food bank. **Status:** *LEANS CHOCOLA.*

Congressional District 3: Republican: U.S. Rep. Mark Souder. **Democrat:** Mark Summers. **Geography:** Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **People:** Urban/rural 65/35%; median income \$44,013; Race: 87% white, 6% black, 4.5% Hispanic; Blue/white collar: 36/52% **2000 Presidential:** Bush 66%, Gore 33%. **Cook Partisan Voting Index:** R+17. **2002 results:** Souder 92,566 (63%), Rigdon 50,509 (34%). **2002 Money:** Souder \$518,717, Ridgon \$131,458. **2004 Outlook:** Souder won't have a primary battle as he did against Paul Helmke in 2002, which he won 60-37 percent. Mark Summers, a former gay bar owner, is running for the Democrats and describes himself as the "complete opposite" of Souder (*Fort Wayne Journal Gazette*). **Status:** *SAFE SOUDER.*

Congressional District 4: Republican: U.S. Rep. Steve Buyer, Dennis Hardy. **Democrat:** Open. **Geography:** Tippecanoe, Clinton, Boone, Montgomery, Hendricks, Morgan, Lawrence and parts of Marion, Johnson, Monroe, Fountain and White counties. **Media Market:** Lafayette, Indianapolis, Terre Haute, Evansville, Louisville. **People:** urban/rural 68/32%; median income \$435,947; Poverty 8%; Race 93% white, 1.3% black, 2.6% Hispanic; blue/white collar 29/56%; **2000 Presidential:** Bush 66%, Gore 31%; **Cook Partisan Voting Index:** R+18; **2002 Results:** Buyer 112,760 (71%); Abbott 41,314 (26%). **2002 Money:** Buyer \$924,869, Abbott \$21,634. **2004 Outlook:** Buyer out-raised U.S. Rep. Brian Kerns by a 3-to-1 margin during the 2002 primary in this "Frankenstein" district. His margins of victory have increased from 51 percent in 1992 to 71 percent in 2002. Despite the snafu over his callup for the Iraq war last March, and primary opposition from Dennis Hardy, Kerns' former chief of staff who is calling Buyer a liar, set for next May, we agree with the *Almanac of American Politics* which said Buyer "should be safe for the rest of the decade." **Status:** *SAFE BUYER.*

Congressional District 5: Republican: U.S. Rep. Dan Burton. **Democrat:** Open.

HORSE R A C E

Geography: Indianapolis, Kokomo, Marion, Shelbyville; Wabash, Huntington, Howard, Grant, Tipton, Hamilton, Hancock and parts of Marion, Johnson and Shelby counties. **Media Market:** Indianapolis, Fort Wayne, Lafayette. **People:** urban/rural 75/25; median income \$52,800; poverty 5.2%; race: 92% white, 2.6% black, 1.6% Hispanic; blue/white collar 25/63%. **2000 Presidential:** Bush 69%, Gore 30%. **Cook Partisan Voting Index:** R+20. **2002 Results:** Burton 129,442 (72%), Carr 45,283 (25%). **2002 Money:** Burton \$844,159, Carr \$25,551. **2004 Outlook:** This is one of the most Republican districts in the nation, let alone Indiana, and Burton will cruise to a 12th term. **Status:** *SAFE BURTON*.

Congressional District 6: Republican: U.S. Rep. Mike Pence. **Democrat:**

Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **People:** urban/rural 59/40%; median income \$39,002; poverty 9.7%; race: 93% white, 3.8% black, 1.3% Hispanic; blue/white collar 35/49%; **2000 Presidential:** Bush 58%, Gore 40%; **Cook Partisan Voting Index:** R+10; **2002 results:** Pence 118,436 (64%), Fox 63,871. **2002 Money:** Pence \$1.2m, Fox \$342,987. **2004 Outlook:** Pence is a true rising star, a regular on CNN's *Crossfire*, who has not been afraid to move to the right of the Bush administration on key issues such as Medicare and tax cuts. Pence is an astute analyst of political trends and told the Muncie Star Press he believes the 6th will lag behind in the coming economic recovery. Pence also seems genuinely surprised at the potential quagmire developing in Iraq, which presents the greatest danger to both him and President Bush in 2004. Fox has not decided on a rematch. **Status:** *LIKELY PENCE*.

Congressional District 7: Republican: Bob Croddy, Andy Horning. **Democrat:**

U.S. Rep. Julia Carson. **Geography:** Indianapolis. **Media Market:** Indianapolis. **People:** Urban 99.7%; median income \$36,522; poverty 13.5%; race white 63, black 29.4%, Hispanic 4.4%, Asian 1.3%; blue/white collar 26/58%; **2000 Presidential:** Gore 55%, Bush 43%; **Cook Partisan Voting Index:** D+6. **2002 Results:** Carson 77,478 (53%), McVey 64,379 (44%). **2002 Money:** Carson \$1.099m, McVey \$1.15m. **2004 Forecast:** Carson weathered a furious challenge from Brose McVey in 2002. Bob Croddy is a financial consultant, but Republicans are unlikely to wage a serious challenge. **Status:** *LIKELY CARSON*.

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

Jon Jennings, Bryan Hartke. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. **Media Market:** Evansville, Terre Haute, Indianapolis, Lafayette. **People:** Urban/rural 58/42%; median income \$36,732; poverty 10.7%; race white 93.7%, black 3.7%, Hispanic .9%; blue/white collar: 32/52%. **2000 Presidential:** Bush 56%, Gore 42%; **Cook Partisan Voting Index:** R+8. **2002 Results:** Hostettler 98,952 (51%), Hartke 88,763 (46%), **2002 Money:** Hostettler \$573,220, Hartke \$395,840. **2004 Outlook:** Hostettler pulled out a tepid victory against a weak opponent. Democrats believe former Boston Celtic scout Jennings, who had a \$99,463 to \$32,358 money lead at the end of September might be able to pick Hostettler off. Hostettler inoculated himself by voting against the Iraq war. While Hostettler's campaign team is in transition, Jennings doesn't have much name ID. **Status:** *LEANS HOSTETTLER*.

Congressional District 9: Republican: Mike Sodrel. **Democrat:** U.S. Rep.

Baron Hill. **Media Market:** Evansville, Indianapolis, Louisville, Dayton, Cincinnati. **People:** urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; **2000 Presidential:** Bush 56%, Gore 42%; **Cook Partisan Voting Index:** R+8. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2002 Money:** Hill \$1.144m, Sodrel \$1.62m. **2004 Forecast:** *Rothenberg Political Report* calls this race "worth watching." The 9th is a little more Democratic, but it votes Republican in presidential years. Hill had \$388,856 in the bank at the end of September, compared to \$71,772 for Sodrel, along with \$1 million in debt. The national GOP gave Sodrel only tepid support IN 2002, but he still came within 5 percent. Hill voted for the Iraq war and free trade, but against the Bush tax cuts. Sodrel enters this race with decent name ID, a potential presidential tailwind and, perhaps, more support from the national GOP. Could be a barn burner. **Status:** *TOSSUP* ❖

TICKER

T A P E

for the seven-member commission, which met this week. Gov. Joseph Kernan, at the time of the indictment, had only recently taken over after the death of Gov. Frank O'Bannon. The newly elevated governor had not asked for Nannenga's resignation, according to Jonathon Swain, deputy press secretary. "It was not that we wouldn't have moved in that direction, but the letter came and that was the end of it," Swain said.

BUSH PREPARING TO RESTRUCTURE SOCIAL SECURITY: President Bush is completing plans to campaign next year for a restructuring of Social Security, a potentially divisive drive that he believes is "a winning issue" for Republicans -- and for his own legacy (Los Angeles Times). Even as lawmakers and the president twisted arms to reach agreement on expanding Medicare and providing seniors with prescription drug coverage, White House aides were working with allies on Capitol Hill to fine-tune a strategy on Social Security. The United States' bedrock social insurance program since its enactment in 1935, Social Security is financed by a payroll tax that is slated to pay for \$470 billion in retirement benefits this year to more than 46 million elderly and disabled Americans. Bush's goal of

TICKER T A P E

allowing workers to divert some of those payroll taxes into private investment accounts faces even more political obstacles than the just-passed Medicare legislation.

HARTFORD CITY MAYORAL RECOUNT TO BE DECIDED BY FRIDAY: Mayoral candidates Rollin Brown and Dennis Whitesell, as well as everyone else in Hartford City, should know by the end of the week who is officially the new mayor of Hartford City (Muncie Star Press).

LUGAR SAYS U.S. COULD END UP ALONE IN IRAQ: the chairman of the U.S. Senate's foreign relations committee, Richard Lugar, R-Ind., said Sunday that the attacks risk driving U.S. allies out of Iraq. He said the insurgents appear to understand that their attacks put pressure on international forces to stay away. "We really have to have the types of individuals there on the ground in Iraq that are good in counterinsurgency," he said on CNN's "Late Edition." "Otherwise we could find ourselves by ourselves out there." Insurgents killed two South Korean electricians Sunday, a day after seven Spaniards, two Japanese diplomats and a Colombian contractor were slain in ambushes. "Iraq is very unsafe, very insecure," Lugar said.



COLUMNISTS ON INDIANA

Sheila Kennedy, *Indianapolis Eye* - Politics and political cronyism weren't invented by Karl Rove, George W. Bush and Dick Cheney, but few administrations have so cynically and visibly put political considerations above the good of the nation. Subsidies to farmers may not make sense if you are trying to ensure the long-term well-being of American agriculture and the economy, but they make perfect sense if you are pandering to the farm vote. Steel tariffs may cost many Americans their jobs, but those jobs aren't concentrated in the industrial states Bush needs to win in 2004, and the steelworkers are. So what if they violate treaties to which we are party? So what if we need to lift them to avoid sanctions? The politics still plays. Tax incentives for SUVs may further impede energy independence and increase air pollution, but they are a great way to pay off all those energy industry contributors. Welcome to the Bush White House, where America's future is for sale.

❖

Jack Colwell, *South Bend Tribune* - President Bush, seeking to raise \$200 million and sure to do so, quickly rejected participation in the plan. Why not? He can and will, without any public-finance money and without any ceiling, fill campaign coffers for a devastating campaign blitz against whoever wins the Democratic nomination. Should he turn down this opportunity? Well, then Howard Dean, the former Vermont governor who struck campaign gold with his Internet fund-raising, decided he also could turn down the potential of up to \$19 million in public funding and still go way over the \$45 million ceiling that is imposed with acceptance. Why not? Should he turn down this opportunity to try to match Bush? Next came Sen. John Kerry. He decided also to decline the public funds and avoid the

ceiling. He is counting on help for his lagging fund-raising effort from ketchup money. He apparently will use personal assets and borrow against even greater assets held jointly with his wealthy wife, Teresa Heinz Kerry. ❖

Brian A. Howey, *Indianapolis Eye* - In October, Democratic House Speaker B. Patrick Bauer lauded the ascension of Kathy Davis as Indiana's new lieutenant governor. He called Gov. Joe Kernan's selection of Davis "a brilliant choice." Within hours, Davis was in the Indiana Senate, where Gov. Kernan made her nomination official. And after all the speeches and applause, the press began firing questions. How would she work with both Republicans and Democrats? Lt. Gov. Davis responded that she sees herself as "an engineer and an analyst." "An honest look at the facts goes a long way," Lt. Gov. Davis said. Gather the germane facts, make the astute analysis, and that's how you get good decisions. Perhaps it's time for Speaker Bauer and Ways and Means Chairman Bill Crawford to take a deep breath, a step back, and recall the words of the new lieutenant governor. Because both Bauer and Crawford, and a good number of their Democratic colleagues in the Indiana House are ... what's a polite way of saying this ... oh? Freaking out. Bauer and Crawford should call a press conference by mid-week. They should say that while they've heard the voices of hundreds of Hoosier homeowners, and while they feel their pain, it's just too early to make decisions. The decisions they might make could even produce more dilemmas. They should say that they know while Hoosiers are feeling pain, what folks really want their statesmen to do is collect the right data, the proper analysis, so they can make decisions steeped in wisdom. ❖