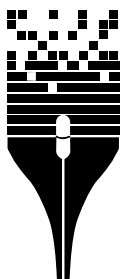


# The Howey Political Report



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## “QUOTE” OF THE WEEK

“The only Daniels liked in this state is a Daniels named Jack.”

- House Speaker B. Patrick Bauer

## Kernan, Democrats ready for a fight

### Tew replaces Hogsett as chairman

By **BRIAN A. HOWEY** in Indianapolis

As the 1,882 Democratic delegates began filing in the Murat Theatre Saturday afternoon, the venerable Sarge Visher looked around and observed, “This is the first time we’ve ever had one of these in a place with carpet on the floor.”

By the time Hoosier Democrats left, there was little evidence of blood or brew staining the rug, but notice was served that the Kernan-Davis ticket was not about to go down without a fight, if it goes down at all.

Every time Hoosier Democrats gathered in the past three years, they found a vastly different gubernatorial scenario. At French Lick in August 2002, Lt. Gov. Joe Kernan was preparing to assume the mantle of the party (and a soon-to-be indicted party chairman). On Dec. 9, 2002 -- 41 years to the day Studebaker Corp. dropped a bombshell on his South Bend when it closed -- Kernan did the same with Indiana Democrats, abruptly pulling out of the race.

**That set off a wild merry-go-round** that at one time or another had John Gregg, Evan Bayh, and Baron Hill eyeing the prize, only to be followed by Joe Andrew and State Sen. Vi Simpson, and then a brief lieutenant governor bid by Bren Simon (of that group, only Bayh was present Saturday). In September 2003, there was the death of Gov. Frank O’Bannon, Simon’s repudiation of Andrew, the historic emergence of Lt. Gov. Kathy Davis, and then Kernan’s re-entry. All of this came during months of relentless attack by Indiana Republican Chairman Jim Kittle Jr. and, in the “good cop” role, gubernatorial nominee Mitch Daniels.

On Saturday, Kernan put his foot down and declared

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*HPR Forum Will Feature Dr. Larry Sabato  
on Oct. 1 at the Downtown Marriott*

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**DANIELS 'DISCIPLINES' GOP:** Marc Lotter, spokesman for Republican gubernatorial nominee Mitch Daniels, said Daniels has been nothing but positive (Niki Kelly, Fort Wayne Journal Gazette). "They've been watching another campaign. Mitch has been unfailingly positive for 11 months," Lotter said. "The Democratic party has put out similar things calling Mitch a liar. Mitch has disciplined the Republican party. When is Gov. Kernan going to do the same for his party?"

**McDERMOTT SEEKS PEACE WITH BAUER:** House Democrats seek to hold their slim majority, as local Democrats vow to work together after a contentious primary. Democrats are trying to keep control of the House of Representatives, where Democrats control the 100-member House by a single vote. Earlier in the week, at the state Republican Convention, House Minority Leader Brain Bosma handed out "54 in '04" buttons, hoping to pick up five seats in the next election (Steve Walsh, Post-Tribune). "We don't need a catchy slogan. We can run on the issues," said House Speaker R. Patrick Bauer, D-South Bend. Bauer said Democrats are running on a platform of jobs and educa-

a race -- a fight -- was at hand.

"It's been 39 days since I sent a letter to my opponent offering to sign a fair campaign pledge, to be specific about how we will pay for the programs we propose, and to have three debates," Kernan said. "The silence is deafening. More than one-tenth of a year has passed, and still no response. But I think we know why. We have heard the claim that he will run a clean campaign," Kernan said of his Republican opponent, Mitch Daniels, holding up the GOP booklet *Legacy of Neglect*. "Then they distribute thousands of copies of this trash, their version of the *National Enquirer*, all over Indiana. Distorted, demeaning and distasteful." Kernan also took issue with Daniels over the "irresponsible charge that Indiana is bankrupt." Kernan said, "I have decided that as we work our way through financial challenges I will not seek advice or counsel from anyone whose budget lost more than half a trillion dollars."

While Kernan was jabbing back at Republicans over the "*Legacy of Neglect*," Democratic counsel Shaw Friedman was distributing talking points about the Daniels record at OMB and IPALCO. The *South Bend Tribune's* Martin DeAgostino observed, "The material -- available in camera-ready format for newspaper ads -- is based on opposition research that combines selected facts, quotations and independent reporting on various aspects of Daniels' record. Ironically, the materials resemble a Republican compilation of Democratic failures, called *A Legacy of Neglect*, that Kernan held aloft during his speech and labeled 'trash.' The moral of the story? With five months left until Election Day, both parties seem locked and loaded for a long, hard contest."

The governor then took aim at Daniels' Washington career. "Working in Washington must be like living on Mars," Kernan said. "No oxygen. No water. No signs of intelligent life. Hoosier workers can compete with anyone in the world. All

we want is a fair fight."

Whether it's fair or not, Hoosiers are on the brink of a Kernan vs. Daniels donnybrook.

### Kernan and change

And as with Daniels, who promised a "freight train of change" last week at the GOP convention, Kernan, too, was talking about the same.

Kernan began by taking on the notion that there isn't much difference between him and Daniels. "I made the decision to get in this race for governor because I believe there's an extraordinary opportunity to lead Indiana to greatness," Kernan said. "To build on our successes. To meet our challenges head-on. To work together and make the changes that matter to Hoosiers. To make it clear that there is nothing we cannot achieve. That's why I'm running. That's my mission. You may hear some people say that 'it's fortunate that we have two qualified people running for governor. We win either way.' If I thought that were true, I'd be heading back to South Bend in January to buy a baseball team."

Kernan sought to make the case for change, as Daniels did last Monday, and highlighted his job creation efforts. "In this time of change for our state, we will meet our challenges in the same way. We won't leave it to chance that better days are ahead; we choose to make it happen," Kernan said. "And that's exactly what we've been doing. Together, we have accomplished many great things, with bipartisan leadership from Democrats and some enlightened Republicans."

That last sentence is key. For while it was Kernan who launched the tax restructuring initiative in October 2001, the man who actually crafted the final deal -- much to the objections of then-House Speaker Gregg and then-Ways & Means Chairman B. Patrick Bauer -- was Republican Senate Finance Chairman Larry Borst, who, ironically, was finally defeated in his primary re-election battle

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the day before Democrats met. Republicans have been trying to tag Kernan with the fallout, particularly in Democratic bastion Lake County, even though Borst wrote the final plan and House Minority Leader Brian Bosma allowed it to pass out of the House when he instructed State Rep. Mary Kay Budak, R-LaPorte, to vote aye.

Kernan continued, "We have proven that when we work together, we get the job done. We took action, by changing government, cutting waste, and controlling spending. We cut property taxes to give homeowners needed relief from the effects of court-ordered reassessment. And we cut business taxes to create a better climate for our companies to grow and create good jobs." Kernan said his administration has "laid a strong foundation" trying to ward off a national recession. "Our work is paying off: We're attracting more businesses and more investment, we're seeing more growth and creating more jobs, and we're turning the corner toward the great days that lie ahead. We will not tolerate the status quo. We will embrace change and shape it. We will lead, not follow."

### Davis talks action

In her first major political address, Lt. Gov. Kathy Davis tried to convey a "been there/done that" attitude. She elaborated on her role at Cummins Inc. that Kernan had spotlighted when he chose her in October 2003.

"The country was in the worst manufacturing downturn of recent times, until the one we've just come through," Davis explained. "Mitsubishi offered to sell Ford a tractor-trailer diesel engine for \$7,000. We were selling ours for \$10,000. Cummins set out to keep overseas competitors out of the heavy duty engine market. To do that, we needed to build our engines for 30 percent less cost. At the Columbus engine plant, with the help of our union partners, we changed every-

thing at once. We cut inventories, we made parts to the assembly schedule. We implemented statistical process control. We stopped adjusting fuel systems in test cells. We modernized the paint system and shipped to our customers' schedules. These changes made the difference. Mitsubishi never became a supplier to Ford."

She said that Gov. Kernan works in a similar mode. "Joe Kernan looks squarely at what needs to be done and does it. He offers a plan. He brings people in. He listens. Ideas get better. Joe Kernan decides and takes action. The right changes get made and we get results. Joe Kernan competes and wins against adversity, against bureaucratic inertia, and against anyone who would have him fail. Joe Kernan is the real thing at the right time."

It offered an interesting contrast to State Sen. Becky Skillman's speech to Republicans the week before. Skillman broke little new ground, essentially serving notice that "help is on the way" with Daniels.

The rap on Davis in some Democratic circles prior to the convention was that she flourished in economic development circles, and stumbled in political settings. On Saturday, it was a technocrat-turned-politico coming out for Davis that was well-received from the delegates (as was Skillman's speech from the week before). Skillman's greatest value will be the relationships with legislative power brokers that a "Gov. Daniels" would need to forge an aggressive program. Davis was show-cased as a problem solver who is already rolling up her sleeves and seeking solutions.

### Plan of attack

Unlike the GOP convention that seemed scripted with Reagan-Deaver panache, Democrats actually were producing controversy on both the political and public policy fronts. Both came with

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tion. In the final week before the May primary, the speaker toured Lake County, where incumbent Reps. Chet Dobis, D-Merrillville, Linda Lawson, D-Hammond and John Aguilera, D-East Chicago, all faced primary challengers. Lawson faced the closest race against Hammond City Councilwoman Kathy Pucalik, who was supported by Hammond Mayor Thomas McDermott Jr. Behind the scenes, state Democrats told McDermott not to push a primary challenge, when Democrats were expected to need money to hang onto the majority in the fall. "To me it's over, I move on," Bauer said. Lawson didn't come to the convention. McDermott shook Bauer's hand and said he told the speaker that he planned to work for Lawson in the fall. "It was nothing personal. I've talked to Linda and said I would do everything I could to get her elected," McDermott said.

**GOODALL CITES DANIELS BUDGET DEFICITS:** Hurley Goodall admits Indiana has lost some ground when it comes to manufacturing jobs. However, Goodall, secretary of the Indiana Democratic Party for 20 years, is not ready to put state government in the hands of Republican gubernatorial candidate Mitch Daniels, a former White

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House budget director. "I personally like Mitch, but he would leave Indiana in the same hole that he left the United States government," said Goodall, referring to the \$500-billion federal deficit (Yencer, Muncie Star Press). Democratic Gov. Joe Kernan told a cheering convention crowd Saturday that most people would never know that Indiana led the Midwest in job growth and made unprecedented investments in job training, education and creation by listening to Daniels speak. "You would never know that one of my first actions as governor was to create Opportunity Indiana, an initiative that fights back against the tide of shipping jobs and money overseas and out of state," Kernan said. Mike Brown, president of United Auto Workers Local 287, said the economy had picked up because of steps taken by Kernan's administration to create jobs. Tim Southworth, Democratic Party chairman in the 6th congressional district, said people had to "wake up" and see President Bush's economic and trade policies were costing manufacturing jobs in East Central Indiana. "We have some of the highest unemployment in Jay and Randolph counties," said Southworth, laid off from Union City Body Co. Goodall, a retired firefighter and former state lawmaker, said Daniels was directly

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Thursday's announcement that Democratic Chairman Joe Hogsett would run for attorney general and former Indianapolis Councilor Susan Williams would seek the top education post. While there is no question that the two are extremely strong, credible candidates (each was on many LG short lists before Davis was chosen), the circumstances were controversial.

With Hogsett, Democratic insiders were quickly saying that Gov. Kernan, worried about the constant broadsides from Kittle and the GOP, and was concerned that Hogsett's state party operation was too scaled down and not defending the governor. The solution was to "promote" Hogsett to the ticket, where he would be a handsome, energetic campaigner, and rejoin his buddy Evan Bayh. One influential Democrat told HPR that the "days of the open field for Republicans are over. With Joe Kernan's high personal popularity and job approval and the state on economic rebound, there should be no way this race should be a dead heat."

Hogsett, with the reputation of turning a turnip farm into a dairy operation (*i.e. milking a turnip*), normally would have planned out a campaign for months (as well as raise money). He told the press on Thursday, "Candidly, I would have enjoyed to lead our party as chair through the campaign. But after careful consideration of all the options, I have decided to be a candidate."

He was really being a good soldier, and no one on the Kernan campaign begged to differ with the assessment. Hogsett is risking a third loss, and joked that he has been "a rising star in three different decades."

Kernan's second ticket solution was to tap former Marion County chairman Kip Tew as the new state chair. Tew and Williams were part of the 1996 Democratic "truth squad" that took opposition research into a statewide travel mode against Republican gubernatorial

nominee Stephen Goldsmith, with devastating results, though Goldsmith himself and the Indianapolis Meridian Street police riot helped in his demise.

Williams' spice of controversy was announcing she was running for an office she had no intention to hold, saying she would resign if elected and allow Gov. Kernan to appoint a superintendent.

Many Democratic delegates fretted about this move. Early editorials on the subject are mixed. The *Kokomo Tribune* editorialized on Saturday, "It would be quite a bit easier for the state's voters if accountability for the state's education system were vested in one person -- the governor. So we really don't care who gets credit for this idea; it's a good one."

The *Indianapolis Star* wrote on Monday, "Her strategy comes off as a cynical manipulation of the system. It's better to work through the necessary legislative process, as frustrating and slow as it may be, than to circumvent the spirit of the law and the election."

And this morning, the *Fort Wayne Journal Gazette* editorialized, "It is ill-conceived and almost certainly will strike many voters as a gimmick."

The risk here is that Republicans will use this as an example of the normally straight-shooting Kernan looking manipulative.

But the immediate upshot was clear: Kernan and the Democrats are about to rev up the kind of opposition response that Frank O'Bannon used in cunning fashion to upset Goldsmith.

Tew immediately came out swinging, telling delegates, "When Mitch Daniels got to OMB, we had the largest surplus in the country's history, thanks to Bill Clinton. Now we've got the largest budget deficit."

Gov. Kernan let it be known early on that he was in an Irish fighting mode. A couple of hours before his speech, he told 6th CD Democrats, "This is the most important election in our history. Maggie and I aren't packing our bags and we

aren't going anywhere."

## 16 years

Perhaps the greatest challenge for Kernan and Indiana Democrats is to answer the notion of "16 years is long enough."

Democrats tried on Saturday.

U.S. Sen. Evan Bayh put a different historical light on the "16 years is too long" equation in the governor's race. He recalled the 1948 presidential election that came after 16 years of Democrats in the White House, an embattled incumbent with Harry S Truman, and difficulties with the economy. "People didn't give him a chance," Bayh told delegates. Bayh said that Truman took his case to voters. He quoted Truman as saying, "I haven't come here to ask you to vote for me. I am asking you to vote for yourselves. Vote for a sound budget and a strong national defense." Bayh explained, "And that's our heritage." Truman went on to upset a heavy favorite, New York Gov. Thomas Dewey.

Former First Lady Judy O'Bannon, speaking to delegates after a video tribute to her husband, raised the 16-year question and said, "Well, baloney. Why change a good thing? Now we know we've got one: Candidates that are smart and caring and capable and determined and dedicated and experienced. We've got them. But it takes the will to win," she said, pointing to the delegates. "Do we have the will today?" The delegates cheered. "DO WE have the will today?" she called again.

Davis tried to accent the positives of Kernan's nine-month tenure. "Joe Kernan created a cabinet form of government. Joe Kernan reorganized Commerce into regions. Joe Kernan created Indiana@Work. Joe Kernan created Opportunity Indiana.. Joe Kernan has laid the foundation."

Kernan himself put it like this: "This election is about tomorrow, not about yesterday. As Winston Churchill said, 'If we open a quarrel between the

present and past, we shall be in danger of losing the future.' That's not something I'm going to do, and neither will Hoosiers."

## Epilogue

That, of course, remains to be seen.

Both parties have now filled their tickets. Both gubernatorial campaigns will have ample money. Both have reassessed performance and responded by moving key people into campaign and party positions.

Both have embraced "change" and attempted to make a case that they are the proper agents thereof, though both Kernan and Daniels seem content to work around the margins (i.e. appoint a Commerce secretary; appoint the superintendent, instead of supporting a more comprehensive notion such as a Constitutional Convention).

And despite Gov. Kernan's words to the opposite, Hoosier voters will find the best gubernatorial nominee either party had to offer at the top of the ticket.

The critical question is who can lay out the vision that Hoosier voters will buy into? And can they do it without the coming rhetoric over opposition research shadowing that vision, or overwhelming it altogether?

It's a tough proposition. Indianapolis Mayor Bart Peterson, in derailing a 30-year Republican dynasty back in 1999, did it by strictly sticking to such a vision, never going negative, and allowing the details to carry him to a huge victory.

Daniels thought he could easily prevail if Gov. O'Bannon hadn't died, or if Andrew or Simpson had been the nominee.

But it's Daniels vs. Kernan, in perhaps the most scintillating gubernatorial election this state has ever seen, with much at stake.

Hold on to your seat. This could be a wild ride. ❖

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tioned to Bush's economic policies. And without some help undoing federal trade policies allowing jobs to go overseas, "Our working people are in for a tough time," Goodall said.

**LUGAR REPORTS TAURUS:** Senators' financial disclosure reports showed anew Monday how wealthy most of them are, with quirky nuggets like a \$1,059.75 Taurus and the gift of a sled dog buried amid trust funds, blind trusts and real estate holdings (USA Today). Sen. Edward Kennedy, D-Mass., who reported from \$8 million to \$40 million in family trust funds, listed up to \$2,500 in rental income for a single parking space in Boston. Senate Foreign Relations Committee Chairman Richard Lugar, R-Ind., said he had a 1993 Ford Taurus worth \$1,059.75. His assets included his \$766,000 home in northern Virginia.

**LUGAR, BAYH NET WORTH REVEALED:** Thanks in large part to his wife's corporate board work, Sen. Evan Bayh's family assets substantially increased last year to at least \$3.3 million and possibly more than \$9.1 million, according to annual financial disclosure statements made public Monday (Indianapolis Star). That's up from a maximum of \$2 million reported by the Indiana Democrat for 2002.

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Sen. Richard Lugar's net worth also increased last year but only slightly, according to a more detailed accounting he revealed. Lugar, R-Ind., and his wife, Charlene, reported a net worth at the end of last year of \$1.75 million, up slightly from the \$1.55 million reported at the end of 2002.

**ROBERT TEETER DIES:** Robert Teeter, an influential Republican pollster who worked in several presidential races and was a long-time member of former President Bush's campaign brain trust, has died after a battle with cancer. He was 65 (Associated Press). Teeter died Sunday night at his home in Ann Arbor, his company said Monday. Teeter played an important role in American politics over the past 30 years, working with Republican presidents beginning with Richard Nixon and serving as national chairman for Bush's unsuccessful 1992 re-election campaign. He also handled polling for Bush in his 1980 presidential run and was a top adviser in the 1988 campaign that landed him the White House. More recently, Teeter was involved in the discussions that led to Dick Cheney becoming George W. Bush's running mate in 2000. Teeter was president of Market Opinion Research before forming his consult-

## 2004 Racing Form

**TREND LINE:** Charlie Cook observes: Soon after the death of former President Ronald Reagan, there was a buzz around town that this event could have a lasting effect on the presidential race. Some suggested that the "right direction" polling numbers might bump up, due to a wave of nostalgia. Others speculated that Republican Party identification numbers might even jump up a bit. I must admit that I was extremely skeptical. The country is as highly polarized as it has been in my five decades on this planet. Attitudes about President Bush, this presidential campaign and the direction of the country are formed in large degree on big things like voter attitudes toward Iraq, the economy and domestic issues, such as health care, education, the environment, and which side one believes would create more opportunities for citizens. Roughly half the country has reached one set of conclusions and the other half has come down on the opposite side -- and these conclusions were reached on big things that aren't likely to be changed by the passing and celebration of a president who has been out of office for 16 years.

## HORSE R A C E

### Indiana 2004 Gubernatorial, Statewides

**Governor 2004: Republican:** Mitch Daniels. **Democrat:** Gov. Joe Kernan.

**Libertarian:** Kenn Gividen. **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:** When it comes to government restructuring, both Kernan and Daniels are half pregnant. Both talked to their party conventions about the need for change ... as Daniels put it, "We must earn the right to do great things for Hoosiers -- not marginal things, incremental things, not tweaks or adjustments or small-caliber things, but great things. We must insist on the right of every Hoosier to dream great dreams." But when it comes to the topic of a Constitutional Convention to reshape Indiana's 1851 system of government, both major party nominees are dancing around the fringe. Last Thursday, Kernan announced that Susan Williams will run for superintendent of public instruction and would resign if elected, giving him the right to make the appointment. Kernan explained, "It doesn't make any sense to elect a superintendent of public instruction. Even if you are of the same political party, to have those different responsibilities without the line of authority, I think it is important to have a continuity of policy, for the message, for the resources that both offices have control of to be pooled together. Susan gave us the opportunity to make this point very clearly and to not just make the point, but to also put it into practice. This goes beyond rhetoric as to how important it is for there to be an appointed position. The governor will be able to make the decision on who serves the next term. It should be an appointed position and we are doing it in such a way that that is something we can achieve." When HPR asked Kernan if he would support a Constitutional Convention to recalibrate all of state and local government, he responded, "I don't know if we need a Constitutional Convention. We just went through a process in the last session of the Indiana General Assembly where the clerk of the court should be an appointed position. That's the right thing to do. It just makes sense. If we can do it there, when you talk about education and the unfortunate circumstances where politics end up being part of those discussions, it should be a position appointed by the governor, whoever the governor is." Kernan, in choosing Lt. Gov. Davis to head up the Peak Performance initiative, told the Indiana General Assembly in January that it would be more than just "kicking the tires and looking under the hood; we might just redesign

the whole car." But Keran seems reticent to haul out the block of clay and actually begin a thorough redesign. In his April debate with Eric Miller televised on WTHR-TV, Daniels also seemed to agree there was a problem, but skirted the issue. "We do have too much government," Daniels said. "It's a strange thing to contemplate that we elect more people than just about any other state. This might be something we should be tackling in 2005. We should continue the conversation. Of what government we might be able to do without, combine and be more effective. I think this is a second burner issue, after we tackle our immediate economic problems." Our view is that in order to appropriately tackle the economic, education and security issues that face us, there is no more paramount issue that reshaping Indiana government to reflect 21st Century realities. Both Kernan and Daniels seemed to be preparing their party regulars for change. Our read on delegates is that they are ready. So why are Gov. Kernan and Daniels so gun shy in proposing a bold, inclusive step -- a Constitutional Convention -- that could inject the Hoosier political and public policy establishments with historic energy? And why won't they do it in the context of the 2004 governor's race? We'll be asking. As for how we perceive this race now that the teams are in place, we see it as a pure tossup at this point. The critical question is whether it stays on a high plain and becomes a true contrast of visions, or whether it gets mired in allegations, charges and counter-charges consumed with the past. While a sitting Indiana governor has never been defeated, Kernan faces the "end of the dynasty" dilemma that allowed Evan Bayh to sideline John Mutz in 1988. **Status: Tossup.**

**Attorney General 2004: Republican:** Attorney Gen. Steve Carter. **Democrat:**

Joseph Hogsett. **2000 Results:** Carter (R) 1,077,951, Freeman-Wilson (D) 978,713, Harshey (L) 45,490. **2004 Forecast:** Democrats were buzzing about the decision of Hogsett to leave his post as state party chairman to run for attorney general (Steve Walsh, *Post-Tribune*). Hogsett had brushed aside rumors that he was considering the job. In the days leading up to the convention, Kernan announced Hogsett's decision, just prior to the party's 48-hour deadline. "When Gov. Kernan asked me to join the ticket three weeks ago, I had to talk it over with my family. I had to consider my private law practice," Hogsett said. Lake County Party Chairman Stephen Stiglich said Hogsett is a tireless campaigner and provides energy to the ticket. Stiglich said he isn't concerned about Hogsett's relatively late entrance into the race. "We know who Joe Hogsett is, up our way." What's our assessment? Carter will have a huge money lead, the Republicans usually enjoy an advantage in the statewide races, and he's got perhaps the best consumer issue an Indiana AG has ever had with the no-call list. Having said that, Hogsett is extremely credible. He'll be able to raise money to get a message out. He's a great campaigner and he's been a giant killer before, when he knocked off Indianapolis Mayor Bill Hudnut in 1990 for secretary of state. And there are all sorts of scenarios where if President Bush or Daniels fade and Kernan rolls to victory, Hogsett could get swept in. The early advantage goes to Carter, but we'll be watching this one. **Status: LEANS CARTER.**

**Superintendent of Public Instruction: Republican:** Supt. Suellen Reed.

**Democrat:** Susan Williams. **2000 Results:** Reed (R) 1,181,678, McCullum (D) 814,658, Goldstein (L) 81,722. **2004 Forecast:** Gov. Kernan asked Williams to run for superintendent of public instruction, so he could then make the appointment, some believing that if Kernan is elected it would be his chief of staff Mary Downes, a former principal at South Bend Adams High School. "The governor is asking me to make change that matters," Williams told cheering delegates. "Education and politics should not mix. It is far too critical to be tied up in the political apparatus." Williams said that 36 states appoint a superintendent. "I pledge to make Indiana the 37th," she said. Many Democratic delegates we talked to were nervous about the idea of Williams running for an office she had no intention of serving. We'll be watching the editorial pages in the coming days to see if any kind of consensus is building. The *Kokomo Tribune* came supported the idea. The *Indianapolis Star* wrote on Monday, "Williams is right on her basic point that the position should be appointed, rather than elected. But her strategy comes off as a cynical manipulation of the system. It's better to work through the necessary legislative process, as frustrating and slow as it may be, than to circumvent the spirit of the law and the election." The normally Democratic *Fort Wayne Journal Gazette* opined, "The Democratic Party's nominee for state superintendent of public instruction has a sound goal: The position she's seeking should be appointed instead of elected. But her pledge to resign if

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ing and research firm, Ann Arbor-based Coldwater Corp. He also conducted a national polling program for NBC News and The Wall Street Journal together with Hart.

**LAKE COUNTY TAXPAYERS WILL GET TO VENT:** A panel of state legislators will ask taxpayers about the plight of Lake County today at the Genesis Center (Post-Tribune). Tax activists expect a crowd of thousands to show up Saturday for a presentation from Indiana economists that will target legislators' missteps. The five-member Commission on State Tax and Financing Policy will meet with residents at 3 p.m. today to address taxpayers and gather "input" from homeowners about the impact of statewide tax reassessment. The input likely will be pretty harsh, said David Allen Jordan, media director for the Family Christian Center in Hammond. The church will open its 4,000-seat auditorium to experts from Operation Tax Education Now for an informational session and rally at 9 a.m. Saturday. "Our phones are going psycho," Jordan said. "Apparently, the people are starting to get their tax bills now and they're wanting some answers."

**COUNCILMAN HEADING TO KOSOVO:** Columbus city Councilman Craig Hawes

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will temporarily leave his municipal duties to serve in NATO peacekeeping operations in Kosovo (Columbus Republic).

**PENCE TO OPPOSED STEM CELL RESEARCH:** Agape Press reports: Nancy Reagan, widow of the late President Ronald Reagan, has also called for an easing of restrictions on using human embryos' stem cells to seek cures for diseases such as Alzheimer's, which took the life of her husband. But Republican Mike Pence says embryonic stem-cell research would violate the 40th president's faith. Speaking to the Eagle Forum Collegians Leadership Summit on Capitol Hill, the Indiana lawmaker said Reagan's long battle with Alzheimer's should not be used to justify embryonic stem-cell research. "Those who would erode the sanctity of human life in the law by advancing embryonic stem-cell research in the name of Ronald Reagan would do more to desecrate his memory than I could possibly imagine," Pence said. "He was devoted to the sanctity of human life." According to Pence, it was the former president's commitment to life that the American people found attractive. "Understand who Ronald Reagan was and understand why he connected to the American people. Understand the foundation of his house," he said. "Understand that he built on

elected is not the way to achieve it. Until the General Assembly sees fit to change the way the state's top schools official is chosen, the stated intent by the nominee, Susan Williams, has the effect of defying the will of voters who make the choice. It is ill-conceived and almost certainly will strike many voters as a gimmick." While we think Williams is a very credible candidate, she is at a huge disadvantage here. Reed will have a big fundraising lead. She has led the GOP ticket every time she's been on the ballot since 1992. We see Reed as a heavy favorite. **Status:** *LIKELY REED.*

## Indiana 2004 Legislative

**Senate District 36: Republican:** Johnson County Council President Brent Waltz. **Democrat:** Terry Rice. **2000 Primary Results:** Borst 7,513. **2000 General Results:** Borst (R) 24,621, Reno (D) 12,120, Williamson (L) 1,026. **2004 Forecast:** Borst's legislative career is over. Borst lost his bid for a 10th four-year term by 38 votes, beaten in the primary by Johnson County Council President Brent Waltz (*Louisville Courier-Journal*). Borst wasn't there to see the end come. He made a brief appearance Thursday morning in Franklin, where the Recount Commission began meeting to re-tally the votes and consider his request that members order a new election because at least a few people didn't vote when their precinct temporarily ran out of ballots. But Borst didn't return Friday, when the commission wrapped up its work on the race, turned down his request for a new election and declared Waltz the winner. Afterward, by phone, Borst said he was done. He would not appeal the decision to the courts. He was ready to move on. He seemed upbeat. He joked that he might go to law school. In an interview with another reporter, he said he would go back to school to become a journalist. First up, though, is a trip to Florida, he said. Borst has a home there, and his father, who lives in Sarasota, is preparing to celebrate his 101st birthday. With such longevity in the family, many believed Borst would be in the Senate for years to come. "It was kind of fun to do things for the state," Borst said (*Johnson County Daily Journal*). "I don't know what he (Waltz) can do with it." He charged Waltz with running a negative campaign but said voters in District 36 were drawn to it. "I guess people like negative campaigns," Borst said. When Waltz extended his hand to Borst on Thursday at the commission hearing in Franklin, Borst did not shake it. Many at the Statehouse didn't want him to go (Lesley Stedman Weidenbener, *Louisville Courier-Journal*). They saw Borst as a brilliant financial mind and tactician who had steered the state on a conservative fiscal path for years. Others were ready. They viewed him as a roadblock to this program or that project. Many of them had been "Borsted," as it came to be called in the Statehouse hallway. The term refers to the times the chairman had offered an opportunity for a new lawmaker or lobbyist to present an idea, only to cut it to pieces, leaving the newcomer humbled, even humiliated. But even some of Borst's private and public critics seem unhappy about the way his political career has ended. The loss likely sent a shiver down the spine of nearly every incumbent in the Indiana General Assembly. Many lawmakers have been asking: If Larry can lose, who is safe? No one. And Waltz proved that. Last year, Borst wrote a book reviewing his public life. "*Gentlemen, It's Been My Pleasure*" looks back at nearly four decades of legislative work. Borst describes how some of the state's most significant laws and changes -- the merger of city and county government in Indianapolis, the advent of the lottery and legalized gambling, and various tax cuts and increases -- came about. In the book, Borst says that he has "been more than fortunate in my life. I more or less flow along with the stream and take and enjoy what comes along in life," he writes. "I have enjoyed it all." And he seems to have no regrets. "All in all, I would recommend my legislative and political experiences to most everyone," Borst writes. "I have learned that one person can make a difference." Weidenbener ended the story by saying, "You said it, Senator." Waltz will be a heavy favorite to defeat Democrat Terry Rice in the general election as the district is overwhelmingly Republican. **General Status:** *LIKELY WALTZ*

**Senate District 44: Republican:** Brent Steele, John Noblitt. **Democrat:** Open. **2000 Results:** Skillman (R) 33,125. **2004 Forecast:** The Republican caucus to choose a nominee to replace Sen. Becky Skillman has been scheduled for 7 p.m. Friday at the Spring Mill Inn in Mitchell. Steele is the prohibitive favorite. **Republican Caucus Status:** *LIKELY STEELE* ❖



# COLUMNISTS ON INDIANA

**Jack Colwell**, *South Bend Tribune* - As a political writer, I've had opportunities to see presidents up close, Ronald Reagan more often than any of the others going back to Lyndon Johnson. Johnson, the only time I met him, stepped on my foot. He was a big man. So it hurt. But it was accidental. He couldn't have been displeased with my reporting. I hadn't written a word yet about his tour of areas devastated by the Palm Sunday tornadoes. In addition to covering Reagan's Notre Dame appearances and meeting him as far back as at a National Governors' Association conference when he was California's chief executive, I was invited five times to the White House for lunch with President Reagan. About 70 or so reporters, editors and broadcast journalists from around the nation joined the president on those occasions. We all were based outside of Washington. These lunches usually followed briefings by Cabinet members and in most cases included fairly lengthy question-and-answer sessions with the president. The purpose was quite clear: Enable the president to carry his message beyond the White House press corps, which most presidents come to regard as too negative and too focused on the "in" topic inside the Washington Beltway. Despite contentions by some critics that Reagan wasn't always focused on the issues, at all of the lunches at which he spoke and answered questions, he always seemed to be on top of the issues -- ready, willing and more than able to explain and argue his side. In the middle of his second term, at a time when there were suggestions that he was slipping, he gave an impressive presentation, skillfully handling questions with the wit and charm that were characteristic. In a column then, I wrote: "The man is amazing. Some opponents still underrate him, despite his elec-

tion twice to the presidency and ability to snatch victory from the jaws of a Democratic-controlled House." His style made him believable even when he was wrong, as sometimes he was, such as when his economic policies brought on record deficits instead of the balanced budgets he was promising. ❖

**Gary Gerard**, *Warsaw Times-Union* - You can argue on a theoretical scale whether these ideas are valid, but I can tell you from a factual standpoint what happened to the economy and budget during Reagan's years in the White House. On Dec. 19, 1980, the prime rate reached 21.5 percent. The average prime rate in 1980 was 15.26 percent. The prime rate is defined by the *Wall Street Journal* as the base rate on corporate loans posted by at least 75 percent of the nation's 30 largest banks. Mortgages were in the 13 to 14 percent range. Inflation was running at 13 percent. That's the climate when Reagan took office. His budgets and economic policies were so demonized by Democrats and the media that most people believe the tax cuts he enacted were the cause of the huge deficit amassed during his administration. But the critics ignore the facts. During Reagan's presidency, the nation's economic growth rate was a robust 3.9 percent, unemployment dropped from 9.6 percent to 5.3 percent and revenues into the Treasury increased. In 1983, revenue to the Treasury was \$601 billion. In 1989, revenue was \$1.1 trillion. OK. Take a moment here to understand. Reagan cut taxes. Revenue to the Treasury from taxes increased from \$601 billion to \$1.1 trillion during his presidency. It's fact. It's history. It can't be denied. Those who call supply-side economics voodoo simply ignore those very basic, fundamental facts. ❖

## TICKER T A P E

the Rock of Christ Jesus in his life."

**CONSUMER CONFIDENCE RISES:** U.S. consumer sentiment staged a surprise upturn in early June, defying analysts' predictions for a decline on the back of high energy prices and the turmoil in Iraq, according to a survey on Tuesday (Reuters). The University of Michigan's preliminary survey of consumer confidence for June showed its sentiment index rose to 95.2 from a final reading of 90.2 in May, according to sources who saw the subscription-only report, breaking a two-month decline. Economists polled by Reuters had forecast a fall to 89.9 as record-high gasoline prices and geopolitical concerns offset some of the recent optimism over the improvement in the jobs market. The expectations index rose to 86.9 in June from 81.6 in May, most likely in line with the dramatic pick-up in the jobs market over the past few months. The current conditions component rose to 108.1 from 103.6, its best since January this year.

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