



Daniels bleeding over IPALCO, but editorials are panning Gov. Kernan *Race race tightens; Daniels seeks to regain offensive*

By BRIAN A. HOWEY in Indianapolis

Gov. Joe Kernan relentlessly continued to keep Republican challenger Mitch Daniels on his heels, using a trio of IPALCO retirees to press the case that Daniels used "bad judgment" in the utility's sale of AES.

Gov. Kernan stood by IPALCO retirees at the modest west side home of Margarie Young, who lost \$136,031 in company stock, Fred Barnes (\$598,030) and Jim Smith (\$3,780). In an attack ad, Smith called Daniels "greedy."

Kernan criticized Daniels for "poor judgment" as an IPALCO board member when it was sold to AES, triggering the stock to plummet. But another IPALCO retiree, Harry Brunner, showed up at end of the press conference in Indianapolis and said he diversified his portfolio. "They had every opportunity to do what I did," Brunner said of his former colleagues. "I never lost a penny." The Brunner side of the story made it into Wednesday coverage of WISH, WTHR and WRTV stories on the issue, and in the *Indianapolis Star*.

Kernan explained, "It's the results that matter. These retirees lost a lot of money. These are people who played by the rules."

Gov. Kernan was asked if he was calling Daniels "greedy," words used by



Gov. Kernan is flanked by (from left) Jim Smith, Margarie Young and Fred Barnes, all who lost money in IPALCO stock. At left is the attack ad that has Smith calling Daniels "greedy." (HPR Photo by Brian A. Howey)



"If it wasn't for Iraq, Bush would be looking for the largest popular vote margin ever. He would be at 60 per-cent."

— Dr. Larry Sabato at the HPR Forum on Friday

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Smith in the IPALCO attack ad. "Those aren't my words," Kernan responded. "Those are his words." When pressed further, Kernan said, "I stand by whatever that person said."

Indiana Democratic Chairman Kip Tew pressed Daniels on the timeline of the stock sale and showed a video clip of shareholders questioning the IPALCO board on the sale to AES. "Mr. Daniels not only was at that meeting, but heard some concerned shareholders raise questions about executives and directors dumping their stock. How can Mr. Daniels claim he knew nothing about this?" Tew asked.

Daniels told HPR Wednesday afternoon that the real "issue is the governor's conduct now. He's disgracing his office." Gov. Kernan replied, "All he can do is call me names."

Kernan reacted to that statement by saying, "I'm not the victim. He shouldn't feel sorry for me. He's not the victim. He did OK. The victims are these three people."

Daniels responded by heralding a series of newspaper editorials over the last week taking Gov. Kernan's campaign to task over use of the IPALCO issue. "The issue is becoming his conduct," Daniels told HPR at Christamore House in Indianapolis. "He's disgracing his office."

The normally Democratic-leaning *Portland Commercial Review* editorialized, "Democratic leaders defending recent attack ads aimed at the role of Mitch Daniels and IPALCO claim character is at issue. They're right. But it's not the character of Mitch Daniels. It's the character of those in the Kernan campaign who have decided that the end justifies the means. To tar the Republican candidate and link him with the likes of Enron because the company's stock lost value in the years after Daniels sold is simply unfair and misleading."

The *Muncie Star Press* editorialized, "The Kernan ads also resort to personal invective (linking Daniels to 'Indiana's Enron') although there are huge differences, starting with the fact that no criminal charges were ever filed in the sale of IPALCO. One of the ads also borders on smear tactics, asking if Daniels 'understands the difference between right and wrong.' There is no substantiation for that kind of character attack."

The *Marion Chronicle-Tribune* editorialized, "Daniels did nothing wrong or illegal. Telling all the facts makes that clear." And the *Indianapolis Star* editorialized that asking the difference between right and wrong "is a cheap shot, one that Democratic leaders should disavow."

Tew said the governor is now driving the issues. He



Mitch Daniels chats with Rev. Olgen Williams of Christamore House in Indianapolis Wednesday after announcing six reforms to Indiana's child support system. (HPR Photos by Brian A. Howey)

said that was the Democrats strategy all along -- to do "maintenance" TV buys last summer, and then drive the issues beginning in September when people began to pay attention. Oesterle acknowledged that "a lot of people have made up their minds on IPALCO, but not on the race. This race will be won on jobs. Other issues will come up that determines who wins the race." One could be Daniels record at OMB and what the Democrats describe as a "half trillion dollar budget deficit." But Oesterle cautioned, "It puts them in a precarious position of attacking the president and talk about his budget."

Daniels, meeting with Rev. Olgen Williams of Christamore House Wednesday afternoon, tried to regain the issue initiative by outlining a six-point overhaul in the child support system. Daniels said Indiana ranks 43rd in the nation in child support recovery. "As I travel the state, I constantly meet parents getting no help from deadbeat parents, and it's just not right," Daniels said. "This is another stark example of the Family and Social Services Administration failing Hoosier families."

The struggle to recast the governor's race came in the shadow of an *Indianapolis Star*/WTHR-TV poll that showed Daniels lead had narrowed to 46-43 percent. Democrats pointed out the poll was heavily weighted by a 17.4 percent margin in favor of Republicans, and suggested internal polling showed that Kernan had taken the lead "within the margin of error," according to one reliable Democratic source. But Daniels campaign manager Bill Oesterle said he believes that many Democrats are identifying themselves as independents. "The *Star* poll reflects the internal numbers we're seeing," Oesterle said this morning.

Which means we've got a barn burner going here. Hoosier voters are facing a gut check over what's fair, if Daniels pays a price for corporate largesse, the governor's use of the issue, and whether IPALCO retirees bear responsibility for putting, as Brunner said, "all their eggs in one basket." ❖



Harry Brunner tells another side of the IPALCO story. (HPR Photo)



Daniels calls campaign 'a controlled experiment'

By BRIAN A. HOWEY

Beyond the voices at the 2004 HPR Forum Series, you could hear the tightening -- the metal of the screws twisting into the wood -- as the determination of power began taking new shape.

A week before the Oct. 1 Forum, Republicans Mitch Daniels and President Bush appeared to be in the driver's seat of their respective races. But by the time the Forum's key speakers -- Gov. Joe Kernan, University of Virginia Prof. Larry Sabato, and Republican Mitch Daniels -- finished their addresses early Friday afternoon, attendees got a sense of profound flux.

In a question and answer period following his 15-minute address, Daniels was asked about the IPALCO attack ads aimed at him by the Kernan-Davis campaign. "They probably had some effect so far," Daniels explained. "A race we've led consistently since the primary is a little tighter. That would be my guess. What will be will be. I do not lose sleep over this election."

As for the presidential election, Dr. Sabato watched the first presidential debate with an

HPR focus group at the home of BoseTreacy's Patricia McGuffey. That was as close to a tie as I've ever seen," Dr. Sabato said. "They did well in presenting their points of view. They gave people a real choice." Sabato added, "There were no gaffes, but a week from now people won't remember."

On Friday, Sabato said the federal jobs numbers scheduled to be released this Friday, the day of the second presidential debate, could determine who wins the presidential and Indiana gubernatorial races. "That could be the ballgame," Sabato said. Sabato also said that "without the neo-cons -- Rumsfeld, Cheney, Wolfowitz -- President Bush would be looking at an historic victory rivaling Roosevelt in 1936, Johnson in '64, Nixon in '72 and Reagan in '84." Sabato said the war in Iraq would be the key reason for President Bush's defeat. "If it wasn't for Iraq, Bush would be looking for the largest popular vote margin ever. He would be at 60 percent."

Kernan saw 'Legacy of Neglect' as first shot

Gov. Joe Kernan told the HPR Forum, "I knew going in there was no way I could match the resources my opponent was putting in dollar for dollar. We made a very conscious, strategic decision early on that we would try to go



Mitch Daniels listens to John McLane (top photo) at the HPR Forum. At left, Gov. Joe Kernan discusses policy with HPR Washington correspondent Mark Schoeff Jr.

through the spring and summer and get to Labor Day within striking distance.

Kernan explained, "In fact, I've been out-spent over that time by about two and a half to one. So we find ourselves even in this race and I feel good about that. It is where we had hoped we would be, maybe a little better. It now comes down to the last 32 days when people are focusing and will be making up their minds."

Gov. Kernan complained at a post-debate press conference at Franklin College that Republican Chairman Jim Kittle's "Legacy of Neglect" booklet set the tone for what has become the IPALCO sequence to this race. The pamphlet had 30 unflattering photos of him, including one from Sept. 8, 2003, the day he returned from Chicago after Gov. Frank O'Bannon was stricken with a stroke. "I was not looking very happy," Kernan said. "I had a dour look on my face. That's when all of this began." Kernan said the IPALCO ads "tell a story. My opponent wants to make this about him. Now he is hurt. But a lot of people were hurt."

Daniels' 'trail versus tarmac' campaign

Daniels followed Kernan at the HPR Forum and for



the first time in his campaign decided to talk about the campaign itself and its "horse race" implications.

Having just exchanged words with Dr. Sabato, Daniels said, "People like the professor have something unique and interesting to observe." Daniels talked about his campaign as a "controlled experiment now, between conventional politics and something less conventional."

"I've never run for office before," he explained. "I've always wished someone would do it in a different way. There are two big departures. They both challenge conventional practices that the professional politicians and mercenaries who surround much of our politics, although not our campaign. The mercenaries scoff at this. But one of them is the personal touch still matters. That the personal campaign face to face works is important, at least in a state our size, 6.1 million people."

Daniels called it "travel versus tarmac," and explained, "I've been out all over this state for 15 months, and in all counties for a minimum of three times. We've been in hundreds of places where the first question is, 'Are you lost?'"

"Maybe it is wasted motion. You can do the arithmetic. You've got hundreds of days, thousands of stops, and therefore, tens of thousands of people to be met. Even with the multipliers, that won't get you that 1.2 million votes. So why not do it the old-fashioned way? Sit on the phone, twist some arms, raise some money, make some TV ads, stop in at an airport every once in awhile. In the end, I don't know whether we'll be able to say this had an impact or not. The jury is still out. I do know this. We're having a heck of a lot more fun.

He told the story of attending a Mishawaka fish fry and learning of an over-60-year-old softball league. "Every team was sponsored by a funeral home," Daniels said, without making a direct correlation to his campaign.

"We don't know if it will make any dent at all in the election outcome," Daniels said. "We did it for two reasons. One is that we've got a lot of people in this state who feel forgotten. People in our smaller towns and these out-of-the-way places, people in the corners of this state and in our inner cities. We wanted to show them we care and we know they're there. And secondly, this is about preparing for the job in case we're hired for it."

He said that Hoosiers "feel estranged and forgotten. We have to overcome that."

"Particularly if we're going to do the hard things, the real hard things that are necessary to make real, meaningful change here in Indiana," Daniels explained. "To arrive at the backside of this election with a far greater sense that will have to become greater still in the future, that this endless



Dr. Larry Sabato pontificates on the first Bush-Kerry presidential debate on Sept. 30. Sabato said that if it weren't for the "neo-cons" who pushing the Iraq war, President Bush would be looking at a landslide victory rivaling FDR in 1936, LBJ in 1964, Nixon in 1972 and Reagan in 1984. (HPR Photo by Dave Galvin)

game of you've got yours now I'll want mine that pervades every interest group, every university, everybody for him or herself. That has led to the unconventional things we are determined to do. And that is to campaign on the high road in this election, whatever comes."

Hey, let's find out

Daniels said, "Yeah, yeah, yeah, every candidate wants to do that. They don't want to get their hands dirty. Voters say they hate that negative stuff, that personal stuff. I say, hey, let's find out. In my primary campaign I said it very explicitly. I made a campaign message about it. I said to members of my party, before you vote in the primary, there is something you ought to know. There are things I will not do to get elected: Compromise a core principle, attack anyone's character for personal advantage. I meant that.

"This is a controlled laboratory experiment between that kind of politics, possibly naive, that has become too common in Indiana and the rest of America, nakedly personal and vicious attacks. Like the ones I've been listening to, and my children, for the last couple of weeks. They've been described by the media as the most negative in Indiana history. That's all true. I felt like I'd been put in a ring with Mike Tyson with no referee. My ear's been bit off and nobody's there to blow the whistle. The whistle is beginning to be blown, however.



The *Star* pretty will summed it up: 'unfair, misleading, false, cheap shot, smear and simply wrong.'

Daniels said there is nothing wrong with "contrast and comparison" when the subject is a result or a performance. "You don't need a referee for that," the Republican said.

"There's one of those moral equivlance things. That some don't know the right from wrong; someone committed a legal violation, which has never been alleged. That someone is just a bad person. I guess some people haven't thought hard enough about the pure difference here between these two types of politics and competition. There is a difference between results and performance and character assassination."

Daniels said he believes the "case for change is so overwhelming" that he will prevail on Nov. 2. "I think 16 years of the same ol' same ol' is going to be the dominant fact of life. You don't have to be Daniel Webster or Clarence Darrow to do OK when the facts are so incredibly powerful and friendly to your side of the argument. I think that probably wins out in the end. We'll find out. The reason I don't lose sleep over that is that I've got something I'm concerned about. That is, what will happen if I'm hired for this job. What will happen starting Nov. 3. That is something to lose sleep over. The problems are so overwhelming and the solutions cannot be postponed. This administration has kicked the can down the road until it's been kicked into a dead end. We are as broke as a state can get. State government is as broken as it can get."

Sabato's 'big picture'

Dr. Sabato spent much time talking about the red and blue USA maps. He said 40 of the 50 states will likely vote the same way they did in 2000, but that it transcends "conservative versus liberal."

He said the blue states were "tolerant" and the red states "traditional."

"It's not Iraq, or the economy, or the Civil War," he continued. "It's abortion, gay rights, gun control, death penalty. These are the issues that ultimately tell us which state is red or blue."

Sabato noted the Northeast and California are securely Democratic, the South and the Mountain west Republican. It is the Midwest -- specifically Michigan, Ohio,



Wisconsin, Minnesota, Iowa and Missouri -- that holds "the future of American presidential politics."

Only one president trailing in the polls during the actual election year, President Truman in 1948, won. All four presidents who lost the popular vote in their first election lost in the second. And the quartet of "four letter presidents" -- Polk, Taft, Ford and the first Bush -- did not serve a second term.

Kernan, Daniels on the Con-Con

Daniels was asked about a possible Constitutional Convention to revamp Indiana's 1851 state and local government structure at Friday's HPR Forum. "I am certainly intrigued by the idea of a convention," Daniels said. "It strikes me as the kind of thing that could be a civic exercise. One thing I like about it is if we set it up right, it might draw into the process people who are not right now or not often active. We might have a much broader cross section than those who are involved year in, year out. I think that would be great, our business leadership, our civic leadership, non-profit leadership, academic leadership being delegates to such a thing, and having a true cross section of Indiana taking part in that decision making."

Gov. Kernan said he gave Lt. Gov. Kathy Davis a charge to explore "what government would be like if we had a blank piece of paper." He said the Peak Performance process "has been described, not by me, as some of the most sweeping changes in the last three decades" and it was "fundamental" that we "take a look at everything we do."

No Senate challenge to Garton?

BoseTreacy moderator Patricia McGuffey went right to the point during her HPR Forum panel "Power Realignment in the Indiana Senate" when she asked if Senate President Pro Tem Robert Garton would face a leadership challenge.

"Not from me," said Sen. Robert Meeks, who many believe has the inside angle on Senate Finance after the defeat of Chairman Larry Borst in the May primary. Meeks said a challenge "can't start a month before the election. That process would have to start long before now."

State Sen. Murray Clark explained, "I think that it will be less likely there will be a challenge to his leadership." But Clark added, "He'll face some challenges this year. Bob obviously has challenges in how the caucus faces finance. Larry Borst was king."

State Sen. Jeff Drozda explained, "I have not received a phone call asking for my support. If there were a challenge, it would come in the last three days" before the election. Meeks called that idea "ridiculous" and added, "It's not going to happen." ❖



Indiana 2004 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:**

This race has shifted in dramatic fashion, whether you believe the *Indianapolis Star*/WTHR poll showing Daniels with a slim 46-43 percent lead. Democratic sources tell HPR they believe Kernan is now leading the race. HPR/



TeleResearch will poll this race early next week. The problem with the *Star*/13 poll is that it included 17.4 percent more Republicans than Democrats. Ed Roberts of the IMA says Bellwether seeks a 6 to 8 percent Republican over Democratic margin, although he says it has been as high as 10 percent. Star editor Blair Caflin explained, "I think you have to look at our sample size - 957. That's a huge sample, drawn under an accepted scientific technique. You also have to consider that fewer people are identifying with political parties these days, especially in a state like Indiana where you don't have to declare a party when you register. My understanding through talking to our pollster is that there is something of a raging controversy in national polling circles on party declarations because they are seeing such a wide variation." Despite Kernan either pulling closer or taking the lead, there are still problems for the Democrats. Many Lake County observers believe Gov. Frank O'Bannon's plurality will shrink from 75,000 votes in 2000 to as low as 50,000 for Gov. Kernan. As the IMA's Roberts points out, "That can be cancelled out by Hamilton and Hancock counties in the doughnut." No one knows how the East Chicago mayoral primary will impact the general election a week later. Whether the polling will pick up voting attitudes in Lake County is a huge unknown. Another is how the record voter registration is playing out and who it favors. Some believe it is Republicans rallying around President Bush. Others believe it may be Democrats and independents worried about the war in Iraq. While Kernan was beating Daniels up over IPALCO, Daniels responded in two ways -- with the feather and the anvil. The feather was the rerunning of his Oaks Academy ads ("he has the heart of a servant") as well as an ad taking Gov. Kernan to task over the scandal at PERF. Kernan angrily responded at the HPR Forum, "The implication that we are raiding pension funds is wrong," he said. "There's a pension stabilization fund that we set aside during the good times in order to sup-

port the unfunded liability we have. But it was a bipartisan decision to utilize some of those stabilization dollars so that we wouldn't have to raise taxes in Indiana. My opponent is turning to the old tricks of the trade that he's learned from his three decades of experience as a high-level political operative. He's desperate, and these misleading attacks are meant to draw attention away from his own record." Still to come are the Kernan-Davis campaign use of Daniels record at OMB, where they will assail him for helping to mount "half trillion deficits." Daniels can be expected to point out the scandals at PERF, FSSA, and BMV. Kernan and Daniels told a gathering of newspaper editors Wednesday that they were committed to an open and transparent government and were open to suggestions for strengthening the state's public access laws (*Associated Press*). "I'm wide open to discussions about other things that we might be able to do," Kernan said. Daniels said he favored many steps that would sharpen the public's eye on the business of state government, including tougher restrictions on lobbying within the executive branch and more disclosure about the details of state contracts. "There are some great big areas in which we need more press scrutiny and probably more access to information to effect that scrutiny," Daniels said. Leaders in the state's African-American community, including the Indiana General Assembly's Black Caucus, took a break from Circle City Classic activities on Saturday and endorsed Gov. Kernan. Both Daniels and Kernan attended the Circle City Classic on Saturday. Gov. Kernan addressed the crowd at the game. **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:**



Attorney Gen. Carter

Carter leads with 45 percent of prospective voters to Hogsett's 25 percent, according to the latest *Indianapolis Star*/WTHR (Channel 13) poll. Two percent would vote for Libertarian Aaron Milewski. But 28 percent of voters aren't sure. "A lot of people don't know what the attorney general does or who the candidates are," Carter said, "but I hope to convey the message that I have been committed to provid-

ing efficient, meaningful services to the public." Campaign aides refused to make Hogsett available to answer questions about the poll. Carter began a new ad featuring his do-not-call list. It features a housewife saying her family couldn't eat dinner until Carter started the list. It ends with Carter saying,



"With your support, I'll start develop a system that tells you when a sex offender moves near you." **Status:** *Leans Carter.*

Indiana 2004 Congressional

U.S. Senate: Republican: Marvin Scott. Democrat: U.S. Sen. Evan Bayh. Libertarian: Albert Barger. **1992**

Results: Coats (R) 1,267,972, Hogsett (D) 900,148. **1998**

Results: Bayh (D) 1,012,244, Helmke (R) 552,732. **2004**

Forecast: Bayh is leading Scott, 61 percent to 22 percent, according to the latest Indianapolis Star/WTHR (Channel 13) poll. Barger had 2 percent support.

Fifteen percent are undecided. "I don't take anything for granted," Bayh said

Wednesday. "Hoosiers are independent. They judge each candidate by the qualifications." At the HPR Forum last Friday, Dr. Larry Sabato said he believes Bayh will be a credible presidential contender in 2008. If the Kerry-Edwards ticket loses, Edwards will be damaged because he won't carry his homestate of North Carolina. He said Sen. Hillary Clinton is "too polarizing. She can win the nomination, but not a general election." Bayh, sitting in the battleground Midwest, will be well positioned, Sabato said. **Status:** *Safe Bayh.*

Congressional District 2: Republican: U.S. Rep. Chris Chocola. Democrat: Joe Donnelly. **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%); **2004 Forecast:** Donnelly chided Chocola on Monday for taking credit for area highway funding projects included in what is apparently dead transportation funding legislation (*South Bend Tribune*). Citing a *Wall Street Journal* report that said House and Senate Republicans have given up their effort to pass a highway bill before the November election, Donnelly noted that in two debate appearances, Chocola has taken credit for securing \$45 million in highway funding for north-central Indiana, including \$30 million for the U.S. 31 project. "It seems that Representative Chocola was counting his chickens before they hatched," Donnelly said. "In fact, all of that money was tied into a bill that was abandoned last week due to the Republican Party's infighting. "Chris Chocola claimed that he



had used his clout as a party insider to secure \$45 million for transportation, but the reality is we have not seen a dime of that money in the 2nd District." Chocola spokesman Brooks Kochvar rejected Donnelly's assertions, saying, "Either our opponent is trying to mislead voters, or he is confused." Kochvar said Hoosiers are already benefiting from \$14 million in transportation funding secured by Chocola, adding that Congress could address passage of the transportation bill during a post-election "lame duck" session. "And while we continue to make progress on the transportation bill every day, the fact is, Chocola has secured \$45 million in funding for the 2nd District, including \$30 million to upgrade U.S. 31." **Status:** *Likely Chocola*

Congressional District 7: Republican: Andy Horning. Democrat: U.S. Rep. Julia Carson. Libertarian: Barry Campbell. **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:** On Sunday, Oct. 10, at 6:30 p.m., WISH-TV will produce Indiana's first televised debate among the three candidates. **Status:** *Safe Carson*

Congressional District 8: Republican: U.S. Rep. John Hostettler. Democrat: Jon Jennings. Green Party: Clark Gabriel Field. **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%), **2004 Forecast:** A bench warrant was issued for Hostettler for a brief time Monday after the congressman failed to meet a deadline for paying court costs in a case in which he pleaded guilty to carrying a concealed deadly weapon into Louisville International Airport (*Louisville Courier-Journal*). The warrant was recalled Monday afternoon after an attorney for Hostettler paid the \$122.50, said Debbie Linnig Michals, a spokeswoman for the Jefferson Circuit Court clerk's office. Hostettler's attorney, David Schuler, said the costs were to be paid by yesterday and were. He referred to the incident as a "technical glitch." A new campaign commercial that accuses Jennings of fabricating information about his past has drawn countercharges that the ad is false and misleading. In a radio ad that began airing Tuesday, Hostettler's campaign staff accuses Jennings of lying to voters about his



residency, his education, his employment and his former political experience (*Evansville Courier & Press*). The ad cites newspapers and television reports as sources for the information, but at least one of those sources has contacted Hostettler campaign staff to inform them that the information cited in the ad is incorrect. The Hostettler campaign is standing by the ad, contending it raises questions about his Democratic opponent. The Jennings' campaign, meanwhile, calls it an "untrue, negative personal attack" and a smear on Jennings' character intended to divert the candidates from more important political issues. **Status:** *Tossup.*



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:** Hill joined 28 Senators and Representatives in filing a petition with the United States Trade Representative (USTR) requesting that the administration's trade office take immediate action to protect American workers and challenge China's currency policies which unfairly make Chinese exports cheaper on the world market and contribute to our record-setting trade deficit with China (HPR). Specifically, the Congressional China Currency Action Coalition, comprised of 7 U.S. Senators and 22 U.S. Representatives-including Hill, filed a "Section 301" petition with the USTR calling on the administration to challenge Chinese currency manipulation which is costing America jobs. The petition seeks the immediate elimination of the undervaluation of China's currency. If China refuses to eliminate the undervaluation, the petition calls on USTR to file a formal dispute settlement case in the World Trade Organization (WTO) to vindicate U.S. rights under the WTO. "For better or worse, we live in a global economy. That is why I believe we have no other choice but to compete in the world economy while insisting that trade agreements are balanced and fair," said Hill. "However, we owe it to our Hoosier workers to make sure our trading partners play by the same rules. I was compelled to join my colleagues in the House and Senate in calling on the USTR to enforce our trade agreements and end the currency manipulation that's costing our constituents jobs." With barely a month left before the Nov. 2 election, campaign managers for Sodrel and Hill said

this week that their candidates still haven't agreed to a debate schedule (*Louisville Courier-Journal*). Both teams in the 9th District race have discussed an Oct. 20 event, most likely on Bloomington's WTIU-TV. But manager Luke Clippinger said Hill, the Democratic incumbent, wants to agree to that date before any other events are discussed. And Kevin Boehnlein, Sodrel's manager, said the Republican camp wants a two-debate deal up front. Clippinger said the two groups have "basically reached an impasse" over what he called the "debate debate." **Status:** *Leans Hill*

Indiana 2004 Legislative

House District 7: Republican: South Bend School Trustee Joanna Blacketor. Democrat: State Rep. Tom Kromkowski. **2002 Results:** Kromkowski 10,846. **2004 Forecast:** Blacketor pledged her support for proposals announced by the House Republican Caucus to help improve educational opportunities for Hoosier children and protect Hoosier families. "I support parental involvement which provides parents choices so that their children can be successful learners." The agenda focuses on several key elements of education reform, including ensuring highly-qualified teachers are in every classroom, expanding access to charter schools, providing deliberate open enrollment to students in failing schools and making higher education more affordable. "I support use of incentive pay to attract and retain high quality teachers...and a more stringent effort to provide public school choice so no parent is forced to keep their child in a failing public school." **Status:** *Likely Kromkowski.*

House District 31: Republican: Tim Harris. Democrat: Blackford County Commissioner Larry Hile. **2002 Results:** Rep. Dean Young 9,046, Raju (D) 3,909. **2004 Forecast:** "Oh, I think it's competitive," Harris said about the race (*Marion Chronicle-Tribune*). "Larry's working hard. ... We're both working hard." Hile agrees: "I've got a lot of people that have supported me, and I sure don't want to let them down. We're working as hard as we can." Meanwhile, Luke Messer, executive director of the Indiana Republican Party, said that with every potentially close race, it could be the difference between winning and losing the majority in the House. Republicans are high on Harris with Messer noting his strong base in Grant County. "We believe Tim Harris is a rising star," he said. Besides the traditional campaigning, Harris said he and his mother-in-law are playing music at local nursing homes. Harris is a trombone player; his mother-in-law plays piano. The music is a mixture of show tunes, patriotic songs and hymns. Harris also brings ice cream. "They sing a long," Harris said. "It is a hoot, man. We're having a blast." Hile's response to that: "I'm not musically inclined."



Status: TOSSUP.

House District 46: Republican: Jeff Lee. Democrat: Vern Tincher. **2002 Results:** LaPlante (R) 8,079, Tincher (D) 7,275. **2004 Forecast:** A Vermillion County judge could hear arguments whether Rep. Brooks LaPlante or Jeff Lee will appear as the Republican candidate on November general-election ballots in the race for HD46 (Howard Greninger, *Terre Haute Tribune-Star*). Judge Bruce V. Stengel was the remaining judge out of three after attorneys with the Democrat and Republican parties each struck one name Wednesday. Vigo County Judge David Bolk provided the list of three judges to hear the case that involves the validity of Lee's candidacy. Bolk issued a restraining order Monday that expires in 10 days. Bolk ruled that Lee, a minister and former Terre Haute police officer, is the certified Republican candidate for District 46. Bolk restrained members of the Vigo, Clay, Monroe and Owen county election boards from "printing, using or distributing any ballots that contain the name of any Republican Party candidate for House District 46 other than defendant Lee for the general election." We once labled Brooks LaPlante a "rising star" and a freshman legislator with "leadership" qualities. But after this report from the *Terre Haute Tribune-Star*, LaPlante, Lee and the House Republicans are casting themselves in an absurd light. The *Tribune-Star* reported Saturday, "Republican HD46 candidate Jeff Lee has filed a second 'candidate withdrawal' with the Indiana Election Division. The move, however, does not vacate his candidacy, the state Election Board official said. Republicans will gather once again on Oct. 11 in Clay City to select a replacement." The Horse is here to tell you folks that this really, really, really looks stupid. The House Republicans have botched this seat in almost every sense of the word since LaPlante decided to violate campaign finance laws two years ago. LaPlante and House Republicans battled the fine instead of just going ahead and paying it. When LaPlante

decided not to seek re-election, Lee won the primary and has definitely proved himself to be "Not Ready for Primetime." The House caucus has opted for a convoluted, ridiculous 11th hour feint of trying to get LaPlante back on the ballot. Even worse, the ballot shenanigans have the potential of putting in jeopardy the participation of the Terre Haute-based Indiana National Guard unit now based in Iraq, which must vote via absentee ballot. Memo to Mike Gentry, Luke Messer and Brian Bosma: cut your losses. And hope you either win the House by a seat, or lose it by two, because the post-mortem on this case stands to be brutal. **Status:** *Leans D.*

Special Municipal Election

East Chicago Mayoral Democratic Primary: Mayor Robert Pastrick, George Pabey, Lonnie Randolph. **2003 Disputed Primary Results:** Of the 8,227 votes personally cast in the May 2003 primary, Pabey received 199 more than Pastrick. But of 1,950 absentee ballots, Pastrick defeated Pabey by 477 votes, producing a 278-vote victory for Pastrick. **2004 Forecast:** Federal prosecutors named Mayor Robert Pastrick and 14 political allies as unindicted co-conspirators in the 1999 sidewalk scandal that allegedly transformed \$20 million in public money into concrete and votes for their re-election (*Times of Northwest Indiana*). The U.S. attorney's office filed a 44-page document this week that provides a preview of the government's effort to prove six city officials who go on trial Monday are guilty. It alleges the conspiracy ranged from the mayor's office to the precinct committee level and helped defeat mayoral challenger Stephen R. Stiglich and his slate of candidates. George Pabey, Pastrick's opponent in the upcoming redo of the 2003 primary election, said he was not surprised. "Here you have the mayor, who said he knew nothing about all of this. Well, it looks like this showed he did," Pabey said. **Status:** *LIKELY PABEY* ❖



Bush-Kerry Election Presidential Polls

Rasmussen Tracking, Oct. 4-6
Bush 47, Kerry 47

Fox News, Oct. 3-4, +/-3
Bush 47, Kerry 45, 1 Nader

ABC News, Oct. 2-4, +/-3
Bush 51, Kerry 45, Nader 1

Newsweek, Oct. 1-3
Bush 47, Kerry 45,

CNN/USA Today/Gallup, likely voters, Oct. 1-3, +/-4
Bush 49, Kerry 49, Nader 1

Los Angeles Times, Sept. 25-28, +/-3
Bush 51, Kerry 45, Nader 2

CBS Sept. 20-22, +/-3
Bush 49, Kerry 41, Nader 2

Zogby America, Sept. 17-19, +/-3.1
Bush 46, Kerry 43



Rich James, *Post-Tribune* - A letter to U.S. Attorney Joseph S. Van Bokkelen: Cut the antics, Joe. You're better than this. If I wanted to watch someone spike a football, I'd tune in the NFL, not attend your almost-weekly news conferences to announce public corruption indictments. You almost seem to be making light of serious business. Your friend, former U.S. Attorney James G. Richmond, once told me that "the power to indict is the power to destroy." It's not that I have any problems with your public corruption indictments, it's the way things are being handled that is troublesome. You're being a little too flippant in the way you're dealing with the situation. It's almost as if you are the first U.S. attorney to indict Lake County officials on public corruption charges. We both know that's not the case, although you are the first to reach into the heart of East Chicago. Lord only knows that not only East Chicago, but several other places in the county are in need of a cleansing. Back to that attitude thing. At one of your news conferences announcing an indictment, you closed with a comment to a reporter that went something like, "See you next Friday." That borders on grandstanding. Simply sending out a release the following week announcing another news conference would have sufficed. You did it again last Friday at the news conference announcing indictments on identity-theft charges. Rather than simply announce the indictments and answer questions, you inserted, "I know this lacks the pizzazz of some of the public corruption indictments. We think (identity theft) is important." Pizzazz? I admire you, Joe, for going after public corruption. That's in large part why I supported your candidacy for the job. You and Richmond have done more in that area than any other U.S. attorneys in my day. But skip the theatrics. There's no Academy Award on the line here.

Gary Gerard, *Warsaw Times-Union* - I have to say I was a little disappointed in W's debate performance Thursday. I think he let John Kerry get away with some stuff. For example, there was the part where W quoted that now-infamous line from Kerry: "I actually voted for the \$87 billion before I voted against it." Kerry came back with what has become one of the signature lines of the debate. He said, "I made a mistake in how I talk about the war. The president made a mistake in invading Iraq. Which is worse?" If I were W, after that, I would have said, "No, my opponent didn't make a mistake in talking about the war. He made an accurate remark regarding his voting record. His voting record was all over the map. No, the mistake wasn't in his talking, it was in his voting." Then, I would have said something like this: "And furthermore, my opponent said I made a mistake invading Iraq. If that's true - if that's truly the way he feels, let me

ask this: Where was he when I was making those decisions? I'll tell you where he was. He was in the U.S. Senate, voting to give me the authorization to use force against Iraq. Listen to what my opponent said about that vote on Oct. 9, 2002, in a speech on the Senate floor: 'I will be voting to give the president of the United States the authority to use force - if necessary - to disarm Saddam Hussein because I believe that a deadly arsenal of weapons of mass destruction in his hands is a real and grave threat to our security.' ❖

Jack Colwell, *South Bend Tribune* - The Tuesday night debate of the candidates for governor of Indiana was a different story. The format there was terrible. It interfered with the ability of voters to compare the stands of Gov. Joe Kernan and Republican challenger Mitch Daniels. If Lincoln and Douglas had been stuck with the format used for the governor candidates, their encounters would not be recalled in history as classics or be recalled at all. Imagine if standing between Lincoln and Douglas there had been a third candidate, one with no chance to win and no worry about ever having to implement anything he proposed, who interjected responses to every question and helped to drag out confusing rounds of answers and rebuttals. The third candidate, frequently going over his time limit in the gubernatorial debate, was Libertarian Kenn Gividen. Now, let me be clear that Gividen deserves news coverage, just not equal time in debate with the two candidates with any chance of winning the election.

Charlie Cook, *National Journal* - Here we are, back to square one -- a close race. Just as this race was not over last summer, when Massachusetts Sen. John Kerry, now the Democratic nominee, was ahead, it wasn't over in September when President Bush had the lead. The evenly divided and highly polarized nature of our political system these days, and the strong cross-pressures on issues, argue strongly against any kind of meaningful margin of victory for either side. This race is not anyone's to lose at this point. It is tied. In the debate, substantively speaking, I thought Bush was, well, himself. He was not much better or worse than he normally is in extemporaneous settings. At the end of the debate, I asked myself whether Kerry had adequately raised the issue of why Bush chose to attack Saddam Hussein and Iraq before finishing the job on Osama bin Laden and al-Qaida. Also, I asked whether he had raised sufficient questions about the handling of the occupation and accusations of mismanagement of the war and, finally, whether Kerry was "connecting" with voters. I thought Kerry, as he normally does, sounded like Thurston Howell III, the millionaire on "Gilligan's Island." ❖





Democratic Chairman Kip Tew (left) chats with Republican Chairman Jim Kittle Jr. (HPR Photo by Brian A. Howey)

Chamber gets icy reception from officials

EVANSVILLE - An Indiana Chamber of Commerce official suggested to a statewide gathering of local government officials Wednesday at The Centre there needs to be fewer of them (John Martin, *Evansville Courier & Press*). Most of the officials didn't like the idea one bit. The Association of Indiana Counties conducted a lively seminar on local government reform, including city and county unification. Speakers included Mark Lawrence, director of corporate development for the state chamber, which commissioned a study earlier this year on more efficient local government. Indiana, Lawrence said, "leads the nation in the number of constitutionally required county officials." He noted that Indiana: Has 92 counties, above the national average of 63; Has 1,008 townships, above the average of 833 in the 20 states that have townships; Has 566 cities and towns, above the national average of 385. The study recommends doing away with township government. Poor relief distribution and property assessment would become county government functions. "To administer a dollar of poor relief, it costs 90 cents in administration," Lawrence said. But Deborah Driskell, president of the Indiana Township Association, said fewer local officials gives voters less of a voice. "The more elected officials you have, the more democracy you have," said Driskell, whose comments often drew applause from county officials.



Tew defends role in PSI sale

INDIANAPOLIS - Indiana Democratic Chairman Kip Tew defended his role as a registered lobbyist with PSI Energy Inc. as it merged with Cincinnati Gas & Electric in 1994. The merger created Cinergy, a Cincinnati-based holding company that later moved high-paying executive jobs from Indianapolis to Ohio (*South Bend Tribune*). But Tew said he lobbied for the merger as a paid employee of PSI, not as a director, and that he did not profit from the sale. "Investors didn't lose their life savings in the deal, either," he said. Tew told HPR that he regrets that Cinergy is now an Ohio-headquartered company, instead of Plainfield. "I had nothing to do with that decision," Tew said. "It wasn't a good thing that PSI is no longer an Indiana company." Tew said the "first bonehead move" by the IPALCO board was it tried to takeover PSI "by using customer's money." But he noted the difference in his role at PSI and Daniels at IPALCO. "No. 1, I'm not running for governor. No. 2, I didn't sit on the board of directors and vote for the merger. There's a big difference"

Evan Bayh Tuesday called on the Centers for Disease Control to provide answers explaining how 50 million flu vaccines will be unavailable for this year's flu season (*Warsaw Times-Union*). "The CDC had every chance to get this right after last year's shortage and they failed on nearly all levels," Bayh is quoted as saying in his news release. "Instead of enacting far-reaching reforms that offered a real solution to the problem, they tried to gloss over the danger by addressing only a potential production shortage. Unfortunately, we are all impacted by this failure The CDC must be held accountable."

Lugar awaits Friday call on Nobel Peace prize

WASHINGTON - U.S. Sen. Richard Lugar expects to sleep soundly tonight. Some, however, think it's possible the Indiana Republican could get awakened early Friday morning by a call from Norway (*Lafayette Journal & Courier*). The Nobel Peace Prize is being announced in Norway at what will be 5 a.m. on the East Coast. And some observers and oddsmakers think Lugar and former Sen. Sam Nunn of Georgia stand a fair chance of getting the honor for the program they created to prevent Russian nuclear weapons from falling into the hands of terrorists or rogue states. "It is absolutely possible that they will be picked," said Espen Barth Eide, director of the Department of International Politics at the Norwegian Institute of International Affairs.

Aul resigns bailiff post in Delaware County

MUNCIE - Steve Aul, the Delaware Circuit Court 1 bailiff who met with the victim in a long-dormant stalking case and encouraged her to publicly criticize his boss's election opponent, resigned Wednesday (*Muncie Star Press*). Aul said he resigned because the controversy was a "distraction." ❖

Bayh blasts CDC over flu shot shortage

WASHINGTON - U.S. Sen.