

# The Howey Political Report



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## “QUOTE” OF THE WEEK

“Lugar is very important in this.”

- U.S. Sen. John F. Kerry, to the Boston Globe, on Lugar telling President Bush to get Congressional approval for war on Iraq.

## Rep. Pence girds for uncertain winds

Who can best articulate issues will win

By **BRIAN A. HOWEY** in *Muncie*

As conventional wisdom goes, U.S. Rep. Mike Pence should be favored to return to the 108th Congress. Some say easily.

Like the man he succeeded, David McIntosh, Pence is seen as a Republican rising star in Congress. He’s only the fifth member to chair a subcommittee as a freshman in the history of the U.S. House (McIntosh and Richard M. Nixon were two others). In the past two weeks, Pence has been quoted on NPR, and in the *New York Times*, *Washington Times* and *Washington Post*. Of all Hoosier Republicans, Pence was the guy former Democratic Chairman Robin Winston feared most in the 2004 gubernatorial campaign.

Pence is young, personable, handsome, is a good speaker (having hosted a statewide political radio show), has a sense of humor, and is very, very conservative.

While the new 6th CD is somewhere around 56 percent Republican, and Pence and McIntosh represented it for the past seven years, it can go Democratic, as Phil Sharp held most of the present district for 20 years. The key question is: Can Pence survive his own arch-conservatism, even, as he has often puts it, he’s “in a good mood about it”?

At the Ball State Credit Union, Pence had to tell executives he would vote against new bankruptcy legislation because U.S. Sen. Charles Schumer, D-N.Y., had put in an amendment that would allow civil litigation against anti-abortion protesters. “I will never vote for a tax increase or to further the cause of abortion,” Pence said.

As a sailor will tell you, being “arch” or “very” anything makes you vulnerable when the winds switch wildly

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**HPR Begins Our 9th Year of the Most Comprehensive Coverage of Indiana Politics**

# TICKER T A P E

**PEW RESEARCH PUTS BUSH APPROVAL AT 65 PERCENT:** A Pew Research Center poll of 1,365 adults, conducted over July 8-16 (+/- 3%), shows 65% approve of "the way George W. Bush is handling his job"; 25% disapprove; 10% don't know. On CNN's "Inside Politics," Los Angeles Times columnist Ron Brownstein said, "The President's approval rating remains very high because in the eyes of most people in the country, he passed the premier test that he faced, which was responding to the aftermath of September 11th. And I suspect those numbers are going to stay high for a very long time because a snapshot was taken by the public of him and as I said, he passed the test. On the other hand, the sense of optimism about the country's direction is really declining."

**POS POLL HAS O'BANNON DISAPPROVAL UP:** A Public Opinion Strategies poll (July 15-17, +/-4%, 600 likely voters statewide) conducted on behalf of Indiana Republicans shows that 54% believe the state is headed on the wrong track. The poll showed that 47% disapprove of Gov. Frank O'Bannon's job performance, with 26% Strongly disapproving and 21% somewhat disapproving.

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and the boom swings rapidly. Today, the political winds are potentially high, puffy and variable. They are swirling as if enclosed in a stadium.

Pence is facing a vigorous opponent in Melina Ann Fox, a Clinton presidential agriculture appointee. She has raised a little under \$200,000, which compared to the half million Pence has seems small. But in 1994, Joe Hogsett, Jill Long and Frank McCloskey all held huge fundraising leads over McIntosh, Mark Souder and John Hostetler only to be out-raised.

**The dynamic of this race** will likely be cast by the end of August. While it "leans" Pence today in HPR Horse Race parlance, should a Democratic wave develop from the corporate scandals, or the GOP fail to articulate exactly what it wants to do on several social issues, this race could easily slip into the intriguing "tossup" zone. And it could switch 180 degrees should we take another domestic terror attack.

Fox has relentlessly pressed Pence on the corporate scandals, and on Monday accused the incumbent of favoring "privatized" Social Security. In the next three pages, you'll read an interview between Pence and HPR's Brian Howey, recorded in a minivan as the congressman traversed the streets of Muncie to a Rotary Club, a

Ball State University credit union and the *Muncie Star Press*.

**"The Democratic National Party** believes this will work," Pence observed with the matter-of-factness that made him a successful broadcaster. He is not a politician who appears to be stricken with fear at the prospect of losing. "There's been some push polling in the district about some supposed plan to privatize Social Security, but there is no proposal in Congress to do that. I felt so strongly about being heard on this that we did an annual report at the first of the year and this summer we did a mail piece on this: Here's where the prescription drug bill is; here's my view on Social Security. If there is any issue I expect this election to turn on, around the country as well as in our district, it will be issues related to Social Security and Medicare."

**Pence added,** "The winners will be the candidates who prevail on the language. If the Democrats succeed in defining what we mean by Social Security reform they will prevail in many races. If we succeed in defining what we and the president mean by Social Security reforms, and what we've done on prescription drug reforms, then I think we'll be successful." ❖

## Pence surveys an uncertain election cycle

**HPR:** I remember in 1994 U.S. Rep. Lee Hamilton told Democrats he felt as if a curtain had descended between him and his constituents. With far more average Americans investing in the stock market, which has turned into a big bear, and with the corporate scandals, what are you hearing and feeling these days?

**Pence:** What I am hearing from my town hall meetings is it was not enough for us to vote a bill through, again. We've done that several times before that. From what I was hearing back home, we had to get something done.

**HPR:** How are people expressing their thoughts to you on corporate reform?

**Pence:** It depends on the venue. At the town hall meetings, people will say, "What are you going to do about these corporate crooks?" At Rotary meetings, it's a different tone. There is an understanding that ... we've done some very serious things. What we're trying to do is not paint with a broad brush and say everybody in corporate America is a bad guy. Some of the concern I get from business people is ...

**HPR:** Are you going too far?

**Pence:** Yeah. Are you going too far? If 98 percent of the people in big corporations are honest, law-abiding people, 99.9 percent of the people who work in small businesses are. They meet the market test of integrity every day.

**HPR:** What word are you getting either in DC or here about the Aug. 14 deadline for CEOs to certify earnings at the 947 top companies? Could this be a seismic shock coming?

**Pence:** Nobody has a handle on it. I tend to think, maybe it would be better to say I tend to hope, that Enron, Merck, Global Crossing, Arthur Andersen are exceptions to the rule. And what we're going to find on Aug. 15 is that the 99 percent of the people who run public cor-

porations are happy to put their signature on the financials. If that event occurs, I think we're in very good shape in restoring some confidence. But if you've got a couple dozen companies that are holding back, then I think there could be some potential for some serious repercussions.

**HPR:** Your opponent's Studebaker tour highlighted your votes on corporate responsibility in April and the changes you made in July. Put that into context.

**Pence:** My personal attitude about the need for legislation evolved as the scandals evolved. At the first of the year and the spring, candidly many of us thought we were talking about a relationship between one corporation and an accounting problem; that it might be a

law enforcement issue; maybe some enhancements in pension protection. While I thought it was a good bill in April, I thought it was a measured response that I thought was appropriate if we were talking about simply two bad actors in corporate life. It was very shortly thereafter when we came to realize with WorldCom, Global Crossing, at least I became aware of the fact, that this could not be explained away as an example of some fraudulent activities in a couple of enterprises, but rather this was some evidence of some inherent weaknesses in our system of accounting and our public securities laws.

**HPR:** It's almost as if the Michael Milken Junk Bond Scholars from the business schools of the 1970s and 80s emerged like 17-year locusts.

**Pence:** In many new ways, they were inventing entirely new ways to practice greed. I sat in the office of a guy who was chairman of a publicly traded corporation in Muncie and I asked him, "What do you make of this stock option business?" He said, "We never considered

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**INDIANA REVENUES DOWN IN JULY:** State revenue was \$84.2 million below projections in July, with \$54 million of the shortfall in individual income tax collections, Governor Frank O'Bannon announced today. That suggests that the national recession continues to significantly harm Indiana workers, who are working fewer hours than they worked before the recession, earning less and thus paying lower income taxes, the governor said. And it shows that the recession also ultimately hurts the recipients of state government services, which have undergone budget cuts and may face more if revenues continue to fall below expectations. "This is a disappointment," O'Bannon said. "While there is some fear at the national level that the United States could go into a double-dip recession - that is, the economy may dip back down after a brief recovery - Indiana has yet to see even an inkling of a recovery. "That means that we must continue our extraordinary scrutiny of every proposal to spend state money."

**BECKER SAYS LAWMAKERS UPSET BY NUMBERS:** Rep. Vaneta Becker, R-Evansville, said some lawmakers may now feel duped.

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# HPR

## INTERVIEW

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"One of the biggest concerns I had all along with this budget is that it would not adequately address the state's need," Becker said (Jennifer Whitson, Evansville Courier & Press). "A lot of legislators felt like when they went ahead and supported the governor's tax increases, that it would mean no further cuts. They're not going to be real happy to have voted for it and then have to take more cuts."

**ZOGBY POLL GIVES GORE HUGE LEAD AMONG DEMOCRATS:** A Zogby America poll of 393 likely Democratic voters, conducted over July 30-August 2 (+/- 5%), shows: 47% said Al Gore "deserves the 2004 Democratic nomination, compared to 36% who say the nomination should go to someone else. Another 17% are not sure." 41% would vote for Gore; 6% would vote for Joseph Lieberman; 5% would vote for Richard Gephardt; 5% would vote for John Kerry; 5% would vote for Bill Bradley; 5% would vote for Al Sharpton; 4% would vote for Tom Daschle.

**SOUDER UNHURT IN COLOMBIAN BOMBING:** Rep. Mark Souder, R-4th, was not injured in the blast in Bogota, Colombia, that killed 14 people as the country's new president prepared to take the oath of office. Souder was part of a

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stock options for executives. Stock options were something for employees by lending people money to buy stock in the company. It never occurred to us to offer stock options to executives." It's almost a corollary to Sept. 11. Why didn't we think people would use airplanes that way? Because, by definition, it was unthinkable. A lot of what I saw unraveling through the spring and summer was that the level of avarice demonstrated was not specifically illegal because it was unthinkable by corporate executives and accountants 10 years ago. That's where I was willing to get behind the tougher criminal penalties that got a lot of press, and the real structural changes that have occurred in accounting. We have structurally and forever changed accounting in America. It is now a regulated business with oversight, term limits for clients. These are radical changes.

**HPR:** Republicans have long had links to corporate America. Democrats in years gone by may have taken it on the chin for corrupt labor unions. Is it even fair the way Melina Fox is bringing it up at this point?

**Pence:** You know the old saying, all's fair in love and war. It's politics. I felt that the stereotype -- all of these businesses give as much to Democrats as they do Republicans -- but the stereotypical association is there. As a Republican, I'm very proud to say I'm a pro-business person. I have a bias toward policies that could encourage entrepreneurialism. Because of that association, I thought it was imperative not to pass another bill, but we accomplish law making.

**HPR:** You chaired a subcommittee as a fiscal watchdog on Homeland Security in which you said leadership didn't want to sacrifice a senior member, so threw in a freshman. Do you still have all your anatomy?

**Pence:** I guarantee you that was true. The Conservative Study Committee

meets every week and we were talking through strategies and tactics on Homeland Security and I argued that we ought to appoint a task force to act as a watchdog over the process with a particular eye toward the Golden Fleece Award that Sen. William Proxmire made famous in the budget process. They literally took that under advisement and the leadership said we're going to form the task force and they wanted me to be chairman. I was very flattered, but as we took on the process, you had the better part of eight full committees that were marking up bills. We published criticisms of these bills. We had the opportunity to make all the major committee chairmen mad.

**HPR:** Did you?

**Pence:** We steered through it without a lot of blood on the floor. The feedback I got from Dick Arme and many chairmen was very, very positive. But the real battle is yet to come: What's in the conference report and we'll go over that.

**HPR:** Here's the perfect segue.

Conventional wisdom is that people vote their pocketbooks. But security and terrorism could easily change the entire political dynamic 180 degrees. Mitch Daniels made it very clear to me a couple of weeks ago the administration expects another terror hit. A terror hit could work both ways, either prompting people to rally around current leaders, or, how did you guys let this happen again?

**Pence:** There's not a day goes by that I and most members don't assume there will be another major terrorist strike. They have to be lucky once; we have to be lucky every day. That's just the hard, cold truth of it. A large part of what I try to do at town hall meetings and at the Rotary today is to simply prepare people. Remind people there are limitations on our ability to, in a free society, protect our citizens. I take that responsibility very, very seriously. I think that the fallout will be very, very difficult to calculate. We

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certainly have in a very bipartisan way had Congress come together, strengthen the military, create a new Homeland Security Department, and really take extraordinary measures. It would be hard for me to assume that any challenger in either party could make a case for Congress not having done anything in response to the terrorist challenge. If we get the Department of Homeland Security done expeditiously it would be hard for me to see that rationally being sold in the political realm. But I also believe the psychological impact of another attack on our country could have enormous political and economic consequences. Hit us once and it's a historic tragedy and we weep and we mourn. Hit us again and suddenly we know we live in a different world and we know it begins to permanently affect how we think our way of life.

**HPR:** You and Mel Fox are mixing it up over prescription drugs. Robert Samuelson wrote in *Newsweek* that what will happen is the creation of a huge entitlement, and yet at the credit union you said you would never raise taxes?

**Pence:** I've had deeply moving conversations, particularly at town hall meetings, with people who have told me, "I have to make a decision between groceries and prescription drugs. I'm not a cliché, I'm a real person. I live in your district and my father is hurting or my mother is hurting. It's breaking our family." What I ultimately came down and said is if we are going to have Medicare in its current form where everybody goes on it at age 65, then it is incumbent on us to have a government health insurance system that actually covers health care. And particularly provides coverage for people who don't have the ability to pay for these things. We're a better country than to have people get on a bus and drive to Canada or take risky re-imported drugs or miss a rent payment to take pharmaceuticals. My hope is to have down the road a reform in Medicare where when you reach 65, you can choose between one of four or

five programs.

**HPR:** I just heard you say at the credit union you never wanted to vote for a tax increase, but won't that ultimately be a costly entitlement?

**Pence:** Not for me. That will be just a bridge too far. That's not what I came here to do. I am a real believer that there are waste, fraud and abuse in government and that reforms make dollars work harder. Right now we're still about 20 percent in GDP in taxes. I'm someone who believes that's the absolute ceiling.

**HPR:** So we may have to be cutting somewhere else?

**Pence:** You bet. Or in introducing Social Security reforms introduce kinds of innovations. I know they are controversial and called different terms.

**HPR:** Your staff and the NRCC took issue with Melina Fox saying you wanted to privatize Social Security. What is your stance?

**Pence:** I oppose and will always oppose any effort to privatize Social Security. I've had conversations with people about this being an issue of semantics. It's not. Steve Goldsmith privatized the water company when he sold it to a private entity. That's a privatization. It means taking a public entity and selling it to a private entity that will run it for profit. What I do support ... and I've had little old ladies come up to me at town hall meetings and say, 'Why do you support the privatization of Social Security?' And I say, 'Ma'am, privatizing Social Security is a bad idea. It will always be a public trust and a public obligation.' And they go, 'Oh. What do you support?' I support allowing your grandchildren to invest a small portion of their payroll tax in one or two or three government-approved 401(k) funds in which they would own and have access to upon retirement. It's called a personal savings account. To me, it's clear the word 'privatization' is very disconcerting. It's also clear the national Democratic party intends to use it -- a lot -- in the next few months. ❖

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nine-person U.S. delegation sent by President Bush to Wednesday's inauguration. He was the only member of Congress in the group (Sylvia Smith, Fort Wayne Journal Gazette). Asked last week whether he had any qualms about the trip, Souder said: "You mean getting killed?"

**BAYH TOURS VX GAS FACILITY:** Construction of a \$300 million plant to destroy tons of a deadly nerve agent stored in western Indiana is on schedule for the first batch to be neutralized a year from now, Sen. Evan Bayh said Wednesday after touring the site. Bayh, D-Ind., said Army contractors told him the progress at the neutralization complex at the Newport Chemical Depot means work destroying the 1,269 tons of VX nerve agent stored there should begin by August 2003. If that happens, the destruction process should take about nine months and be completed by spring 2004. After the Sept. 11 terrorist attacks, Bayh asked the Army to move up its plans for destroying the Newport stockpile of VX, which the Guinness Book of World Records lists as the deadliest substance in the world. "I think the chances of the facility out there being the subject of an attack are very low. But one thing we do know about terrorist organizations is that

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they do want to cause as many casualties as possible," Bayh said.

**ALLEN COUNTY COUNCILMAN ARRESTED ON DUI:** Allen County Councilman G. Herb Hernandez, 54, was arrested last week on drunken driving charges. Hernandez was booked into the City-County Lockup at 3:14 a.m. Aug. 1 and held on three charges of operating a vehicle while intoxicated. One of the charges indicates that he had a blood-alcohol level over 0.10 percent when he was arrested. The arrest is not expected to affect Hernandez's ability to be a council member, said Mike Cunegin, Allen County Council president. "I have the utmost respect and always have for Mr. Hernandez," Cunegin said. "He contributes a lot to council and will continue to do so." In 1997, County Councilman Mark Wintereg voluntarily resigned in part because of a drunken driving arrest.

**BUSKIRK CRITICIZES FORT WAYNE MAYOR OVER CRIME:** A potential candidate for Fort Wayne mayor used Tuesday's National Night Out as a chance to criticize Mayor Graham Richard's approach to fighting crime (David Griner, Fort Wayne Journal Gazette). Linda Buskirk, a Republican who lost to Richard in a 1999 recount

# Indiana 2002 Racing Form

**TRENDLINE:** Rising voter concern about the nation's future, driven by an unsteady economy and unrest on Wall Street, is stirring nervousness among some Republicans and lifting confidence among Democratic leaders that their party could capture control of the House in November (Adam Nagourney, *New York Times*). That turn of events seemed impossible two months ago. "Up through late May and early June, through WorldCom, I was arguing that we were looking at the most pro-incumbent environment that I've seen in a 22-year career," said Bill McInturff, a Republican pollster who has conducted regular national polls of the electorate this year. "What has happened is that, because of WorldCom and the stock market collapse, these key tracking numbers have changed very quickly. We are looking at a much more traditional off-year election — which means the House is in play, which I never really believed in June."

# HORSE R A C E

A senior Republican strategist involved in a number of Congressional campaigns, who asked not to be identified, said today: "The map has changed. The House is a much more competitive environment." Other Republicans expressed similar concerns, though not so starkly, saying they believed that Republicans would ultimately be able to ride out this period. "The Democrats have a real opportunity here," said Stuart Stevens, who was Mr. Bush's media adviser in 2000.

## Indiana Congressional Races

**Secretary of State 2002: Republican:** Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Dr. John McGoff. **Democrat:** Bloomington Mayor John Fernandez. **Libertarian:** Rebecca Sink-Burris. **1994 Results:** Gilroy (R) 902,100, Jeffers (D) 542,539, Dillon (L) 32,483, Knight (A) 13,948. **1998 Results:** Gilroy 828,557, Little (D) 652,565, Dillon (L) 51,775. **2002 Forecast:** A TeleResearch Poll (516 registered voters, +/-4.5 percent) in Marion, Hamilton and Hendricks counties, shows Rokita leading with 30 percent, Fernandez at 17 percent and Sink-Burris at 4 percent. Indiana Secretary of State Sue Anne Gilroy's decision this week to appoint more investigators in the Securities Division is receiving praise from the man who hopes to succeed her: Rokita. "I would like to applaud Sue Anne for adding three investigators to the Securities Division staff pursuant to the plan my campaign has proposed," Rokita said. "We need more cops on the beat to investigate these crimes. My opponent and I are both supportive of this measure." **Status:** *Tossup.*

**Congressional District 2: Republican:** Chris Chocola. **Democrat:** Jill Long Thompson. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **Websites:** www.jilllongthompson.com; www.chocolaforcongress.com **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** Long Thompson failed to respond to a debate invitation by the Elkhart County League of Women Voters, which was to be broadcast live on television and radio in October (Jack Colwell, *South Bend Tribune*). Shirley Gold, League president, said 2nd CD Democrat Long Thompson provided no response prior to the deadline set by the League and WSBT-TV for acceptance of the debate invitation. Chocola issued a statement expressing disappointment that the debate was canceled and suggested that Long Thompson was "hiding from her record. This was the best opportunity for the voters to hear directly from the candidates regarding their positions on important issues facing the 2nd District." Paige Richardson, newly named campaign manager for Long Thompson, said the Democratic nominee still wants to have debates. In fact, Richardson said, there is a possibility of a televised debate that would be sponsored by WNDU-TV and the *Elkhart Truth*. On the day after her May primary election victory, Long Thompson called for a dozen debates, one in each of the counties of the new 2nd District. Chocola agreed, although saying negotiations would be

needed to decide on the exact number and locations. President Bush's political chief, Karl Rove, appeared at an Indianapolis fundraiser with Chocola on Tuesday. **Status:** *Tossup*.

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

Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **Websites:** www.foxforcongress.com; mikepence.house.gov/ **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,070. **2002 Forecast:** Fox rejected privatization of Social Security. During a four-day tour of the district, Fox said the nation's fundamental income security program for senior citizens and people with disabilities should not be open to Wall Street interests who want Social Security funds to add more fuel to the nation's stock market roller coaster. "We need Social Security to be stronger and safer, not weaker and riskier," Fox said. "That's why I oppose privatization of Social Security, called by any name. She said Social Security, a prescription drug benefit for seniors on Medicare, and reforms to protect pension plans are three critical measures to preserve the retirement security of thousands of people in Eastern Indiana. "Protecting Social Security and making it stronger and safer is in the best interests of the people of Eastern Indiana -- even if that's not what powerful interests out of the state seek." Fox said her opponent, U.S. Rep. Mike Pence, clearly favors privatization of Social Security, even though he sometimes calls it "modernization." On May 24, 2001, Pence signed a letter mailed to a commission appointed by President Bush attempting to justify the privatization of Social Security retirement benefits, Democrats charged. The letter urged the commission to propose "personal retirement accounts" to "transform Social Security." Democratic Chairman Peter Manous said, "Mike Pence cares more about protecting those who commit corporate fraud than about ensuring the financial future of retired Hoosiers." **Status:** *Leans Pence*.

**Congressional District 7: Republican:** Brose McVey. **Democrat:** U.S. Rep. Julia

Carson. **Libertarian:** Andy Horning. **Geography:** Indianapolis. **Media Market:** Indianapolis. **Websites:** www.juliacarson.house.gov; www.broseforcongress.org **2000 Results:** Carson (D) 91,300, Scott (R) 61,818, Ali (L) 2,513. **2002 Forecast:** Carson hosted a community forum Wednesday night where she had Indianapolis Mayor Bart Peterson talk about police harassment at the recent Black Expo. Carson asked the mayor to speak, and he offered a full apology for the problems. "Those stories are stories that suggest we need a change," Peterson said after listening to an hour's worth of complaints. "We will respond because we need to rebuild trust. I commit myself and my administration to that effort." The event allowed Carson to pay attention to her base in a way that received much TV coverage. **Status:** *Leans Carson*.

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

Bryan Hartke. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. **Websites:** www.bryanhartke.com; www.house.gov/hostettler/ **Media Market:** Evansville, Terre Haute, Indianapolis. Lafayette. **1994 results:** Hostettler (R) 93,529, McCloskey (D) 84,857. **1996 Results:** Hostettler (R) 109,582, Weinzapfel (D) 106,134, Hager (L) 3,799. **1998 Results:** Hostettler (R) 92,227, Riecken (D) 81,381, Hager (L) 3,395. **2000 Results:** Hostettler 116,860, Perry (D) 100,461. **2002 Forecast:** Hartke flexed his money-raising muscles Monday night in an Indianapolis fundraiser, trying to catch up with his opponent in the 8th District congressional race. So far, Rep. John Hostettler, a Republican, has outraised Hartke by more than 2 to 1 (Jennifer Whitson, *Evansville Courier & Press*). The recommended minimum donation was \$100. Heavy hitters for the state's Democratic Party passed through the crowd, including the candidate's uncle, Vance Hartke, a former Evansville mayor and three-term U.S. senator; U.S. Sen. Evan Bayh; and Gov Frank O'Bannon. "The Democratic state party is as strong as it's ever been," O'Bannon said. Hartke's campaign ended the June filing period with a negative balance, compared with Hostettler's more than \$200,000 in available funds. **Status:** *Likely Hostettler*.

- Brian A. Howey ❖

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race, conducted a news conference in Foster Park and said the nationwide community event was "an ideal time to examine public safety." Expected to make another run for mayor in 2003, Buskirk said the Democratic mayor uses too many police supervisors, has ignored concerns of rank-and-file officers and failed to meet election pledges of reducing crime. "I'm just kind of hopeful that Republicans and the news media and others really hold the mayor accountable for these broken campaign promises," Buskirk said. However, Buskirk stopped short of saying she would run for mayor next year. Richard also has not officially announced whether he will seek re-election, although his campaign committee has raised more than \$100,000 for the potential race. Richard's chief of staff, Tom Teague, said his office was reluctant to respond to early campaign overtures. "I guess the election is on," Teague said.

**1994 GOP REVOLUTION MEANT SEISMIC SHIFT IN SPENDING:** The 1994 revolution that gave Republicans control of the House of Representatives produced a seismic shift in federal spending, moving tens of billions of dollars from Democratic to GOP districts, an Associated Press analysis found. Rather than pork

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barrel projects for new GOP districts, the change was driven mostly by Republican policies that moved spending from poor rural and urban areas to the more affluent suburbs and GOP-leaning farm country, the computer analysis showed. The result was an average of \$612 million more in federal spending last year for congressional districts represented by Republicans than for those represented by Democrats, the analysis found.

**MICON CHALLENGES SCHOLER TO DEBATE:** Joe Micon and Sue Scholer may hold debates as they campaign for the House District 26 seat. Micon, the Democrat challenging six-term Republican incumbent Scholer, wants to hold four public debates starting in early September. He wants area journalists to ask the questions (Joe Thomas, *Lafayette Journal & Courier*). "Redistricting has brought many voters into District 26 who have previously been represented by either Representatives Sheila Klinker, Claire Leuck or Tim Brown," Micon said Monday. But Scholer said she does not yet have an answer for Micon. "We have not responded yet. We're checking out other events that might be happening," she said.

**PETERSON TO WARN OF RAID ON PENSIONS:** Mayor Bart Peterson, joined by Indianapolis Police

# COLUMNISTS ON INDIANA

**-Morton Marcus, *Syndicated*** - Our responses to the horrors of 9/11 have been fully consistent with our past. We create heroes, we create villains, we over-react, and we harm the innocent. From the Boston Massacre and Lincoln's assassination to Pearl Harbor and 9/11, we panic and become oppressors. The costs to America are immense. Our president and his junior high buddies at the Departments of Justice and Defense want a super agency for Homeland Security that will not have to follow the ordinary rules of government departments. They have bombed a backward country in search of one man. Trigger happy, they have bombed a wedding party. They almost set up neighborhood spy systems in this country until stopped by a coalition of conservatives and liberals who understand the meaning of our Constitution. These are not matters distant from our communities. Every Hoosier is likely to experience higher costs and greater inconvenience over the years because we insist on exaggerating the danger of the moment. How many Indiana companies require that visitors sign in? What evidence do they have that their security efforts have any payoff? Most security is so perfunctory that a serious person bent on mischief could easily cause whatever trouble he or she wished without prior discovery. I visited a bank last week and was asked to sign in and take a visitor's pass. But I was not asked to verify the name I signed nor frisked to see if I was carrying a weapon. What danger lurks at the Department of Workforce Development that requires their security system? Are lunatics or revolutionaries about to hold hostages until the reported unemployment rate for Jay County is lowered? How many of these businesses or government agencies actually assessed the risks they face or are they only concerned with embarrassment if something were to occur

on their premises? ❖

**David M. Shribman, *Boston Globe*** - President Bush can go to war with Iraq without Britain's Tony Blair. He can go to war without Jordan's King Abdullah. He can even go to war without Saudi Arabia's King Fahd. But he can't go to war without Indiana's Dick Lugar. Richard G. Lugar is an introverted intellectual whose impulses have a very unusual effect on others in Washington. They make people actually listen - and they have an especially jarring effect on his Democratic rivals. Lugar is, by ideological inclination, the center of gravity of Capitol Hill. But his impact comes from more than that. His determination and diligence also make him the congressional center of gravitas. His colleagues shout. He whispers. And right now Lugar is whispering above the din: We're not ready to go to war with Iraq. Not yet, anyway. "I think we can be ready," he said. "There are, I suspect, substantial military plans already developed, some sprinkled out in the media, some not. But until we run through the traps and see what we can do, we're not ready. We have to have the support of all the major countries, not just the ones that surround Iraq, but also Russia, and we have to have some acquiescence from the Chinese." Lugar has spent his time in the capital outliving one terrible distinction (he was Richard Nixon's favorite mayor) and creating one luminous distinction of his own (he is the only man known to have turned down an invitation to a state dinner at the White House because it was his wife's bowling night). Now he is bringing special credibility to the Iraq debate. A decade ago, he battled the reluctant administration of George H. W. Bush into seeking congressional approval for the Gulf War. The current president's father resisted -- but was glad he had that formal authorization in his back pocket. ❖



# PERHAPS... WE WANDER

By Brian Howey

## O'Bannon and the Indiana Constitution

Back in 1969 and 1970, there was a flurry of activity on revamping Indiana's 1851 Constitution. A Constitutional Revision Commission chaired by Govs. Matthew Welsh and Harold W. Handley, with Sen. Robert D. Orr as a member, made recommendations to revise nine articles dealing with, among other things, the legislative and executive branches and finance.

This came a year after Gov. Edgar D. Whitcomb vetoed a series of amendments from the Revision Commission, which established in 1967. It recommending 20 constitutional amendments.

**The 1970 report** on the topic of finance was most interesting. "An Amendment approved in the 1969 legislative session was one to permit the General Assembly to classify property for the purpose of taxation or exemption from taxation, an Amendment to Article 10, Section 1 of the constitution."

It is that very article that Fountain County Prosecutor Mark McGrady noted would make the 2002 tax restructuring effort to repeal the inventory tax unconstitutional. Gov. O'Bannon explained to HPR, "The inventory tax repeal does not become effective until 2007. A constitutional amendment has passed the General Assembly that would permit the inventory tax repeal, and if it is passed again in 2003 or 2004 it would be on the 2004 ballot."

In the 1970 report, the commission observed, "As is the case with most proposals for constitutional change, there are a number of practical problems sought to be corrected by amending the present contents of Article 10, Section 1. A major problem is that whenever the General Assembly seeks to remove some type of property from the tax roles ... it is neces-

sary to amend the Constitution. This type of inflexibility is another example of clumsy restrictions on the General Assembly in its development of public taxation policy. The power to classify property on some reasonable basis could be a major fiscal tool for the General Assembly."

**So while Govs. Welsh, Handley and Orr** sought constitutional change, Gov. O'Bannon is more reluctant, other than in the current and specific case of the inventory tax repeal. Asked about the line-item veto, O'Bannon told HPR, "While some governors have a line-item veto and other states require a two-thirds vote to override a governor's veto, Indiana requires just a simple majority, the same majority it takes to pass a bill. That constitutional provision strongly supports the vision that our forebears had regarding the roles of the three branches of government, that is that the primary responsibility for passing laws lies with the General Assembly, while the executive branch is charged with implementing them, administering executive branch activities and guiding the state.

"**The Constitution is very** clear that the powers of the branches are separate," O'Bannon continued. "We are not to interfere with each others' duties. As a former lawmaker, I respect that separation of powers, and I appreciate its wisdom. And I think that separation of powers has worked well during my time in public office."

Remember, this governor is not the activist governor, but the "arbitrator" governor. O'Bannon added, "When an Indiana governor vetoes a bill, he must articulate why he is doing so in terms that all Hoosiers can understand. His power lies in his logic and ability to persuade. So although vetoes can be overridden with a simple majority, it doesn't happen every time." ❖

## TICKER TAPE

Chief Jerry Barker and Indianapolis Fire Chief Louis Dezelan, will hold a press conference this afternoon to discuss the county's bankrupt budget proposed Monday night by the county auditor. While the mayor's city budget is fully-funded and does not raise taxes, the auditor's county budget, which pays for the sheriff, prosecutor, courts, jail and others, has a \$25 million deficit. The auditor has proposed raiding pension funds for police officers and firefighters to fill the deficit.

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## Wei rd Scenes Inside the Statehouse Gol dmi ne

(A speech by HPR's  
Brian A. Howey)

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