# The Howey Political Report

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## "QUOTE" OF THE WEEK

"Our ship of state needs a new set of hands that would set an example for all states to follow "

- Senate President Pro Tempore Robert D. Garton, to the Indiana Republican convention

# Image (& change) unites Republicans

Daniels works a Reaganesque show

By BRIAN A. HOWEY in Indianapolis

As President Reagan lay in state 2,000 miles away, Mitch Daniels and his Hoosier party brethren were concluding an Indiana Republican Convention befitting the visual and audio trappings that produced the title "The Great Communicator."

Essentially, that is what the 2,000-plus Republican leaders and delegates did Monday and Tuesday of this week: Communicated a notion springing forth from the small cities and towns of Indiana that seismic change is about to occur if the conservative party can end a 16-year drought in gubernatorial politics.

Daniels used his now trademark RV1 (how Hoosier can you get?) to traverse the state and get small-town folks to buy into his notion that comprehensive change will occur on his watch if he wins what is expected to be a hard-fought race against Gov. Joe Kernan in a state that has never tossed out a sitting governor. Hoosier conservatives are supposed to be suspicious of change.

And it is not the first time a gubernatorial standard-bearer has promised such dramatic departure from the past. Stephen Goldsmith's rise to the 1996 nomination was built on the notion of change -- often dramatic change -- but Goldsmith failed to wrap it in a veneer that prevented people from fearing a move away from traditional moorings. The brilliance of the Daniels campaign to date is that he has concentrated on building relationships with people in places such as Mongo, no longer a pawn in the game of life in the Republican's outlook of reshaping the state.

The Indiana Republican convention, lasting under

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

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## TICKER T A P E

HASTERT, CHENEY PAY TRIBUTE TO REAGAN: To the thrum of muffled drums. the strains of solemn music and eulogies from the leaders of the Republican-run Congress he helped create, the body of Ronald Wilson Reagan returned Wednesday evening to the capita-I he campaigned against so often, then did so much to reshape through two terms as president (New York Times). "While others worried. President Reagan persevered," Speaker J. Dennis Hastert of Illinois told members of Congress, the Supreme Court, the diplomatic corps and invited guests in the Rotunda. "When others weakened, President Reagan stood tall. When others stepped back, President Reagan stepped forward. And he did it all with great humility, with great charm and with great humor." Vice President Dick Cheney recalled that Mr. Reagan had once said. "There is no question I am an idealist, which is another way of saying I am an American." Mr. Cheney called Mr. Reagan "a providential man who came along just when our nation and the world most needed him," adding, "Fellow Americans, here lies a graceful and a gallant man." Tens of thousands of citizens lined Constitution Avenue and the West

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four hours over two days accomplished that. It communicated the notion of change, the fact that small-town folks are buying into it, and gave the party a united front along with its first female, State Sen. Becky Skillman, ever to join the top of a state ticket.

Over the recorded sound of a distant locomotive whistle, Daniels said in an opening night address that was a departure from past plodding conventions, "My friends, listen closely. A freight train of change is coming to our state. You could hear it in a record-setting primary vote. You can see it in the faces of the young people behind me, those who fill our headquarters and are flocking to our cause."

The following day, Daniels concluded the finely orchestrated event by saying, "Bob Orr and Ronald Reagan each met their moment with dignity and courage and leadership and belief in the people they served. That is what we must now do. We are so blessed to have right in front of us an opportunity so much grander than winning an election or holding office. We have a chance, by doing those things to serve our state that will allow us years from now in our rocking chairs and on our porches to say, 'Back then in 2004 when Indiana turned the corner. I was there. I had a hand in it."

#### Universal acceptance

It was a concept that appeared to be universally accepted.

Even Senate President Robert D. Garton, on the brink of a possible leader-ship challenge from a restive Republican caucus emboldened by Daniels' atmosphere of change and the pending loss of State Sen. Larry Borst, sounded like a reformer. "Our ship of state needs a new set of hands," Garton said, calling for an Indiana "that would set an example for all states to follow."

He called for "major reform -from BMV to FSSA" and said that electing Mitch Daniels was the only way. "Who's going to lead that charge?" Garton asked. "Mitch Daniels. I pledge the state Senate will support that vision and with a Republican House will make it happen. This is the year."

Skillman, in accepting her historic nomination, picked up on the locomotive theme and observed, "This convention has created the steam that will carry us through the next five months." Skillman told cheering GOP delegates that "those in charge just haven't gotten the job done. Help is on the way. The man who can get the job done is right here. His name is Mitch Daniels."

#### Republican eye candy

Normally night before the convention is given over to district caucuses and parties. But Daniels seized the opening moments of the convention to set the prevailing theme of change that subsequently percolated throughout the rest of the night and into Tuesday morning.

Daniels motored into the Indiana Convention Center in his RV1, the theme used in his TV ads and on the platform backdrop as the last chords belted out by a quartet of young singers called "Small Town Girls" dazzled delegates for 15 minutes.

"We bring you a message from Doug Brown's barbershop at Dugger, Herb's Hillbilly Produce stand in Roseburg, and Thomas Jackson's kid ministry program in Anderson," Daniels began. "From the Red Dog Saloon in Montgomery and Sparky's Dog House in Mount Summit. From Susie's Pub in Dale. Tony's Place in Valpo, and Jan Williams' Tap Room in Bainbridge. From all the single moms, senior citizens, teachers, farmers, workers and students we've been visiting in every corner of our state. The message is 'change is coming, reform is coming, a great comeback of home and better government is coming to Indiana and it's coming this year."

Daniels made his case that 16 years of Democratic rule extending over

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the Bayh, O'Bannon and Kernan administrations, had led to a "bankruptcy of ideas, every bit as real as the financial bankruptcy of state government." He reiterated his quip -- "same crew, same shipwreck" -- and said, "16 years is long enough and it is time for a fresh start in the state of Indiana." Daniels poked fun at Democrats, saying they literally copied his ethics proposals. "Everything else in state government may be broken, but at least we know the Xerox machine still works."

Daniels promised to "rebuild state government from top to bottom" and added, "I will demand from every department a list of things it can do, or do faster, or stop doing, to improve Indiana's economic performance. We will measure, set aggressive targets for improvement, and drive relentlessly for results, and I intend to take personal charge of the effort."

Delegates left the Indiana Convention Center revved up with looks in their eyes that conveyed a sense of determination to end the GOP drought.

The following day, with Daniels seated in the back of the hall, paternally watching over its proceedings, Skillman, Attorney General Steve Carter and Supt. Suellen Reed -- the latter two with no apparent Democratic opponents on the horizon -- received their nominations as other party figures laid out their indictment of the Kernan administration before the 1,840 delegates.

House Minority Leader Brian Bosma said Indiana "is at a crossroads" and asked delegates, "Will we follow the path of neglect? Or will we together find a different direction?"

Republican Chairman Jim Kittle Jr. outlined the litany of O'Bannon-Kernan "sins" and said, "I'm tired of the mismanagement, scandal and neglect. Their last day is near. The wheel has turned and it is time for them to go. It is time for Republicans to lead Indiana's comeback."

John Hammond III, the former chief of staff for Gov. Orr, reminded dele-

gates, "Bob Orr was not afraid of change. He embraced change as the agent of opportunity." Hammond said that it was Orr who "guided Indiana through the worst recession since the Great Depression" and then embarked on historic education reforms even when it meant raising taxes, "Because it was the right thing to do."

As Daniels concluded his opening night speech, he said, "We say as John Adams did in 1776, 'Great things are wanted to be done. We believe as Ronald Reagan did, 'We have every right to dream great dreams. After all, we are Americans.' 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."

The following day, Daniels told delegates, "We honored two great men today. But we will honor them fully only if we emulate them."

#### **Epilogue**

In the decade HPR has been covering Republican conventions, this one stands out as being different. It efficiently used its time. It corralled their often limited attention spans and used scintillating rhetoric embracing the concept of becoming an "agent of change" into nothing less than a mission that will be carried back to the cities, towns, Granges and feed mills across the state.

Daniels, as Reagan's political director, had a front-row seat for some of the finest political imagery ever conceived by people such as Michael Deaver in the White House two decades ago.

In Indianapolis this week, Daniels orchestrated a convention that bound its imagery, rhetoric and selections such as the Skillman nomination to positively demontrate that things aren't going to be the way they always used to be. ❖

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Entrance to the Capitol, many having waited for hours in wilting heat to pay their respects. Later, after an austere ceremony beneath the soaring dome, the first of an anticipated 150,000 mourners began walking past Reagan's coffin (Washington Post). As the procession moved through the city, crowds erupted in spontaneous applause for the historic symbols of national grief that many Americans were seeing for the first time: a dead President's flagdraped coffin, a riderless horse trailing behind and processions of ramrodstraight military honor quards (Los Angeles Times).

HILL ISSUES STATEMENT ON REAGAN: U.S. Rep. Baron Hill made these comments on the House floor: "This past weekend, Americans learned of President Ronald Reagan's death. He was an honorable and decent man whose legacy forever will be linked with the great love and optimism he had for this countrv. As a fellow Midwesterner, I appreciated the traditional American values he brought to Washington -- his good humor, his love for his family and his belief in America. At a time when Americans had lost confidence in themselves, Reagan remind-

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ed us that we could achieve any goal, no matter how lofty."

**VEEP LIST DOWN TO** THREE: VILSACK, **EDWARDS AND GRAHAM:** U.S. News and World Report reports in its Washington Whispers column, "Kerry campaign insiders tell us that his vice presidential selection team is down to three finalists. They won't say who they are, but we hear that Iowa Gov. Tom Vilsack remains the frontrunner and that North Carolina Sen. John Edwards is in the pack." The New York Times reports, On Tuesday morning, Senator Bob Graham boarded a plane in Virginia, flew to Florida with John Kerry, and introduced him to an overheated crowd outside Palm Beach as "a man of high intelligence, great energy and a sincere commitment to what's important to us today for our children and grandchildren."

BUYER STATEMENT ON HOUSE FLOOR: U.S. Rep. Steve Buyer spoke on the House floor. Below are his remarks: "Ronald Reagan's belief in the ideal of individual liberty reassured Americans to believe in itself and in turn inspired a world. Like a flower perfect in its bud, as in its bloom, it spreads its seeds before it dies. So did Ronald Reagan, he spread seeds of liberty and its attributes to

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#### A hallway of mirrors in the Indiana Senate

#### By BRIAN A. HOWEY

INDIANAPOLIS - There was a lull in the 4th CD caucus Monday night as Allen County Chairman Steve Shine awaited appearances from State Sen. Becky Skillman and Supt. Suellen Reed.

"Anyone want to speak?" Shine asked.

Up strode State Sen. Robert
Meeks, R-LaGrange. "I've served 16
years in the Senate and in only two of
those years have we had a Republican
House with a Republican governor. And it
was only those two years when we had a
balanced budget and that came when we
had a Republican House and a Republican
Senate."

As Meeks walked back, he look up at this reporter and said, "Did you get that?"

Every word, Senator, every word.

**Meeks' verbal thrust** was important because the Indiana Senate is on the verge of possibly profound change.

By the end of the day on Friday, the final threads of Senate Finance Chairman Larry Borst's final political string are expected to snap. That will end his powerful 36-year tenure in the Senate and his virtual stranglehold on any legislation dealing with budget, finance and taxation.

Meeks, who heads the Senate Budget Subcommittee, is one who could expect a promotion to Senate Finance.

But if you looked into the eyes of the various senators at the Republican convention, there was something different going on. The recognition that a new day is about to occur in the wake of Borst's defeat is setting off the quiet murmurs of conversation over who moves up, who plots, who succeeds, and who dies (political) if they fail.

It's an intangible feel among the Republican caucus, and it has sailed over the heads of virtually every other reporter who covers the Senate, as not a word has been written about the looming power play that could dramatically alter the power equation, perhaps as profoundly as who wins the governor's race.

But folks, it's out there, as acknowledged by a number of senators we've talked with over the past two weeks as Borst's demise appears to be a certainty, as well as legislative staff members.

The critical questions are:

#### Will Senate President Pro

Tempore Bob Garton be in a position to hand out highly sought perches and to whom will they go? And to the spurned, what avenues of recourse will they have?

Wholesale change?

Will Sen. Garton move to annoint the people who will ultimately be his successors? And will those people be some of the older mid-level senators? Or will they be some of the young bucks? Will either segment of the caucus revolt if Garton chooses one path over the other?

And will the younger senators band together in a united front, or will some free-lance and isolate themselves?

Will there be a showdown between the conservatives and the moderates?

Meeks' comments at the 4th CD caucus touched a nerve with conservatives, who have been grumbling about the out-of-balance budgets coming out of the Senate under Borst's chairmanship.

Other senators are beginning to realize the opportunity of a political career, which last happened in 1980, is potentially at hand. Most have the recognition that any path to power includes a trip through a hallway of mirrors, where reality and simple perception are hard to distinguish, like Garton's convention call for "new hands on the ship of state."

He was talking about the Statehouse's second floor, wasn't he? �

#### **President Reagan and the Soviets**

#### By BRIAN A. HOWEY

I didn't vote for Ronald Reagan, the first president I covered as a political writer, in 1980.

I didn't believe that Reagan could cut taxes, raise defense spending and balance the budget, so I voted for John Anderson, the former Illinois Republican congressman.

In retrospect, I was right, and so with the tumbling of the Berlin Wall in 1989, summed up Reagan's 1980 campaign by saying, "Well, two outta three ain't bad."

We did get the big tax cuts. I remember watching my paycheck go up about three times in 1981 and 1982 as the Reagan tax cuts kicked in. While Democrats ridiculed the cuts as "trickle down" and "voodoo economics," (a phrase George H.W. Bush coined). What they really did was ignite a technological revolution that has swept into just about every American home. The technologies for home computers, fax machines and cellphones existed long before 1980. The Reagan tax cuts provided the capital to all those rich folks to bring the concepts to market.

I watched with fascination the first congressman I covered as a professional journalist when I was state editor of the *Elkhart Truth*. He was U.S. Rep. David Stockman of southern Michigan, who would be Reagan's OMB director at the urging of *Newsweek* columnist George Will.

Stockman did more to reveal the strange "Rosy Scenario" Reagan brought to White House economics. In his book, "The Triumph of Politics," Stockman saw the Reagan White House make lofty budget surplus projections. "Rosy Scenario, why, she was an economic heart-throb," Stockman explained. "Touch her hand to the deficit-ridden federal budget and the surpluses never stopped. The idea that we were actually inheriting a huge budget

surplus was just plain ... haywire. Still, that was what our numbers assumed."

When Stockman spilled his doubts to journalist William Greider, it meant a trip to Reagan's "woodshed after dinner." This past week, Stockman told NBC that Reagan really did have it right, but blamed "Congressional Republicans" who couldn't end their pork addiction for the towering deficits that followed.

But the extraordinary "mission accomplished" for President Reagan came with the Soviet Union. He understood that it was doomed to implode. While he was ridiculed about "Star Wars" and found himself in legal/ethical hot water over Iran-Contra, Reagan pressed the Soviets on multiple fronts.

I had been attending Indiana
University Russian & East European
Institute seminars on the Soviet Union in
the mid 1980s and no one was predicting
the Soviet Union would go out of business
by 1990. Reagan did and author Dinesh
D'Souza recounted a story Reagan told
upon assuming the presidency of a
Russian man who ordered a car. He was
told it would be ready for delivery in 10
years. And the man asked, "Can I pick it
up in the morning?" The salesman says,
"What difference does it make, it's in 10
years?" The man responded that he had
scheduled a plumber for that afternoon.

So he was ready to define the "Evil Empire" when his State Department was skittish. He went to Berlin and demanded of Mikhail Gorbachev to "tear down this wall." When the Soviets shot down Flight 007, Reagan stunned his aides when he decided not to retaliate militarily. He knew that world opinion was revulsed by the act and that was more powerful than any cruise missile.

I'll never forget watching on CNN the hammer and sickle being lowered from the Kremlin on New Years Day 1991, a sight I never dreamed I would see. And I thought of Ronald Reagan. ��

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people of the world to the pursuits of freedom. His critics viewed him as a throwback in time... almost antediluvian; but what Ronald Reagan possessed were principles and ideals that were ageless. They served as quideposts for our country in time. I will always remember his courage to take a stand in the face of adversity, especially the evils of tyranny. He understood that liberty is protected by the vigilant, those who must be ready and prepared to defend freedom thereby preserving peace.

**EMOTIONAL BUSH MEETS** NEW IRAOI LEADER: An emotional President Bush met Wednesday for the first time with the newly designated interim president of Iraq, Sheik Ghazi Aiil al-Yawar, telling him, "I never thought I'd be sitting next to an Iragi president of a free country a year and a half ago." Bush said it was a "special day" for him, and after 15 months in which Americans have been fighting and dying in Irag, it provided a powerful moment of symbolism for him to sit side by side, before the United States and the world. with the man who now holds a title last held by Saddam Hussein. "I'm glad you're here," Mr. Bush said to President Yawar, who replied by thanking the president and the American

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people "for the sacrifices of the brave men and women of the United States" in deposing Mr. Hussein. "We're determined to have a free, democratic, federal lraq, a country that is a source of stability to the Middle East, which is very important for the rest of the world,' President Yawar said."

KERRY OPENS LEAD OVER BUSH: In "a measure of the race's tenuous balance, Los Angeles Times polling in three of the most fiercely contested states found that Bush had a clear advantage over Kerry in Missouri and is even with the presumed Democratic rival in Ohio and Wisconsin. More than one-third of those questioned in the nationwide poll said they didn't know enough about Kerry to decide whether he would be a better president than Bush. And when asked which candidate was more likely to flip-flop on issues. almost twice as many named Kerry than Bush." Yet Kerry "led Bush by 51% to 44% nationally in a twoway matchup, and by 48% to 42% in a three-way race, with independent Ralph Nader drawing 4%."

KITTLE PRONOUNCES LAKE COUNTY GOP FEUD OVER: State Republican Party Chairman Jim Kittle has pronounced an end to the feud between Lake

# 2004 Racing Form

**TREND LINE:** Democratic Chairman Joe Hogsett will join the ticket as the attorney general candidate, and former Indianapolis Councilor Susan Williams will run for superintendent of public instruction in a very Indianapolisheavy ticket. Obviously Democrats were having a hard time filling out the ticket and Hogsett is playing the "good soldier" role. Both were mentioned as possible running mates for Kernan before he tabbed Kathy Davis, the former Indianapolis controller. Watch for the next Democratic chairman to be Kip Tew, the former Marion County Democratic chairman.

#### Indiana 2004 Gubernatorial

**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:** Several national publica-

HORSE RACE

tions are, like HPR, calling this race a tossup. "The race in Indiana definitely has appeal," said Nathan Gonzales, political editor for the Rothenberg Political Report in Washington. "The circumstances of events have made it interesting on many different levels" (Fort Wayne Journal Gazette). David Mark, editor of Campaigns and Elections Magazine in Washington, also called the Indiana race "wide open" and "intriguing." Both the Rothenberg and Cook political reports rank Indiana's race as a tossup. Eric Miller endorsed Daniels at the Republican convention. "Hoosiers know it's time for a change in the statehouse, and Mitch, it really is time for a Republican governor" Miller said. "We thought this was the right time and place to . . . let them know of my support," Miller said afterward. "Mitch and I have talked a number of times and will continue." Skillman's second primetime speech wasn't flashy and didn't break any news, but she was well-received by the delegates who embraced the first female Republican LG candidate. Skillman's forte is meeting one-on-one with constituents in political settings, and if the ticket wins, she will be crucial in lining up support in the Indiana General Assembly for Daniels' aggressive legislative program. "This convention has been quite a boost for the confidence level," Skillman said on Tuesday (Louisville Courier-Journal). 2000 nominee David McIntosh told the Muncie Star Press, "People are ready for change." He said independents want new leadership. "That RV symbolizes Daniels getting out of Indianapolis," said McIntosh. "That's very important." Mary Kay Orr, introduced as "Indiana's former First Lady," spoke briefly to the convention, saying, "I can see there were a lot of people who loved him as well as I did. He appreciates that and so do I. Keep the flag flying and let's go get my man Mitch back into Bob Orr's chair." Kernan's campaign tried to blunt the continued Republican assaults of the O'Bannon-Kernan record. A new Indiana University report predicted more growth in personal income in Indiana into early next year, and the creation of 44,000 new jobs (*Indianapolis Star*). Moreover, Kernan campaign spokeswoman Tina Noel on Monday pointed to trends she says signal better days for Indiana -- higher-than-expected state revenue collections in recent months and four straight months of job growth compared with the same periods in 2003. Noel stressed Kernan's initiatives to help Indiana businesses and workers. "The governor has shown extraordinary leadership on the jobs front and will continue to do so," Noel said. That line likely will be a common refrain Saturday, when Democrats hold their own convention in Indianapolis. The day after Noel made that statement, Wabash National announced 150 new jobs coming to Lafayette and the Fort Wayne City Council approved two tax abatements for two companies that will create 66 new jobs there. Gov. Kernan released a report Thursday showing that 75 percent of Lake County homeowners can expect a tax increase after reassessment (Steve Walsh, PostTribune). Meeting with lawmakers for more than 90 minutes, the governor told lawmakers his office wanted to help. According to lawmakers, much of the time was spent reviewing the 40page report compiled by the accounting firm Crowe Chizek as part of its role in the independent reassessment. Kernan did not pledge specific state funds to lower property taxes, but according Kernan press secretary Jonathan Swain, it is still one of the options. "Overall, it worked well, but there have been pockets throughout the state that have seen unintended consequences of reassessment that are unusually high. Those are the areas we need to address," Swain said. In Lake County, 25 percent of homeowners saw their taxes stay the same or go down. Of those who saw a tax increase, 22 percent saw their bills increase more than \$1,000, according to the Crowe report. Democrats are worried that the property tax controversy will cut down on the big pluralities gubernatorial nominees ususally get out of Lake County. Maggie Kernan said she believes Gov. Kernan was personally hurt when his high school alma mater retracted an invitation to speak at its graduation because of his position on abortion rights (Associated Press). The governor had been asked to speak at St. Joseph's High School, his alma mater, until the invitation was withdrawn in late April at the direction of Bishop John M. D'Arcy. In an interview with the South Bend Tribune, when Maggie Kernan was asked whether she thought the decision hurt her husband's feelings, she replied, "I think so," adding that he "has very fond memories and a great love for St. Joe." She also said her husband "does not hold the decision against the bishop" and feels that the bishop thinks he did the right thing. Former Democratic Chairman Robin Winston told HPR "Joe Kernan will win this election. It will be as close as it was in 1996, but he'll win. He said that Democrats have yet to really "push back" at Daniels over his tenure at OMB and the IPALCO story. "It's a tossup without any recoil from us," Winston said. Status: Tossup.

## Indiana 2004 Congressional

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 called on Chocola to support a real prescription drug benefit for Medicare. "Everyone agrees that there should be a simple, fair prescription drug program for Medicare," said Donnelly. "But Chris Chocola is supporting a complicated and confusing plan of little real value." Status: Leans Chocola.

**Congressional District 6: Republican:** U.S. Rep. Mike Pence. **Democrat:** Melina Ann Fox. Geography: Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. Media Market: Indianapolis, Fort Wayne, Dayton, Cincinnati. People: urban/rural 59/40%; median income \$39,002; poverty 9.7%; race: 93% white, 3.8% black, 1.3% Hispanic; blue/white collar 35/49%; 2000 Presidential: Bush 58%, Gore 40%; Cook Partisan Voting Index: R+10; 2002 results: Pence 118,436 (64%), Fox 63,871. 2002 Money: Pence \$1.2m, Fox \$342,987. 2004 Outlook: Pence agrees with HPR's assessment that the <u>Bush presidency will reach the "tipping point" within the next 30</u> days over Iraq. "The next 30 days will be critical," Pence told HPR. "I believe it will make a difference when there is an Iraqi leader behind the microphone." House Republicans will vote this year on a constitutional balanced-budget amendment for the first time since 1995, when the issue was the cornerstone of the Contract with America that helped them gain control of Congress for the first time in 40 years (The Hill). "The fiscal policies of the administration has had a negative impact on support in the broad Republican base," said Rep. Mike Pence (R-Ind.), a leading House conservative. Pence said President Bush would best demonstrate his fiscal conservatism by vetoing the transportation reauthorization bill, which is likely to swell

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County GOP Chairman John Curley and high-profile GOP fund-raiser Dan Dumezich at least until after the elections (Steve Walsh, Post-Tribune). Their mutual cooperation is necessary. Kittle said, if the party is to wage a successful campaign for Mitch Daniels, its gubernatorial nominee. Curley came under fire from Dumezich after the county chairman removed Mike McPhillips, a Dumezich confidant, as the GOP representative in Lake **County Election and Voter** Registration Office. Two weeks ago, the Daniels' campaign and the state party sent Indianapolis lawyer Steve Mevers to investigate complaints of disharmony among Lake County Republicans. Kittle said he did not see the report, but he pronounced the episode over. The party will not take any action against Curley. who was appointed by the party to take over from deposed Lake County Republican Chairman Roger Chiabai, Kittle said. Curley's term expires in 2006. "To get Mitch elected it's going to take John Curley and Dan Dumezich putting aside their differences, at least for the time being. After the election they can go back to their partisan warfare," Kittle said.

JOHNSON COUNTY TO KEEP ELECTION VENDOR ... FOR NOW: Johnson County's election board plan

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to continue conducting county elections using touch-screen voting machines from an embattled equipment vendor, at least until it hears a report from the state (Daily Journal). The three-member board decided Wednesday to maintain its contract with **Election Systems &** Software while it waits for direction from state election officials. The Indiana **Election Commission will** conduct a special meeting the last week of June. The company, often referred to as ES&S, is expected to present a report on the status of equipment certification for November's general election. With less than five months until the November election, voters will likely use the same touch-screen voting machines used in the May 4 primary, and county officials will wait until after the state meeting to decide what, if any, action to take regarding the county's contract with ES&S.

**CORRECTION: Senate President Pro Tempore** Robert D. Garton's office said that it was Brent Waltz who placed a telephone call to Garton, not Garton who called Waltz as was written in the June 3 edition of The Howey Political Report. In that call, Garton invited Waltz to the Senate **Republican Caucus Golf** Outing. A Garton aide also said the Senate Caucus Golf Outing is scheduled for June 29, not June 28 as was reported.

beyond the \$256 billion price tag he called for. Status: Likely Pence

## Indiana 2004 Legislative

Senate District 36: Republican: Johnson County Council President Brent Waltz, Sen. Larry Borst. 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: What many observers believe will be the final chapter in the historic SD36 primary upset by Johnson County Councilman Brent Waltz over Senate Finance Chairman Larry Borst began this morning in Franklin (Brian A. Howey, HPR). Waltz emerged from the May 4 primary with a 65-vote victory over the 36-year legislative veteran. Secretary of State Todd Rokita told HPR the hearing is expected to last all day today and "may bleed into Friday" after the Borst campaign challenge thousands of Johnson County ballots. Waltz told HPR that his recount attorney, Larry Reubens, believes that even if every credible challenge were to be won by Borst, "We would still win the election with about 20 votes." The hearing was originally supposed to take place in the Johnson County Council chambers, Waltz's domain, but was moved to another conference room. Ironically, the Recount Commission normally conducts its Statehouse meetings in the Senate Finance chambers. Cam Savage of the secretary of state's office said the hearings were moved from both rooms to ensure there was no signs of impropriety. Rokita told HPR that the laws he will use to conduct the recount hearings are "explicit" and leave virtually no room for any free lancing. Most observers tell HPR they believe Borst has virtually no chance of overturning the results. A final Borst defeat could set off a sea change of power in the Indiana Senate, where Borst was a gigantic figure with profound influence. See Thursday's Howey Political Report for exclusive coverage of the coming Senate power play.

**Recount Status:** Safe Waltz

**Senate District 44:** Republican: Brent Steele, John Noblitt. Democrat: Open. 2000 Results: Skillman (R) 33,125. 2004 Forecast: State Rep. Eric Alan Koch will not seek the seat being vacated by State Sen. Becky Skillman, the Republican lieutenant governor nominee designate. Koch told HPR, "I've decided not to get into the race. I'm happy with my role in the House and I like my district." Koch said he hasn't decided on whether he will make an endorsement in the race. Jason Beal, a former campaign manager for David McIntosh, will also not run saying that Steel is a former business partner of his father's. Former State Rep. Brent Steele, R-Bedford, has already declared for the race, as has Noblitt, an Orleans newspaper publisher. Republican Caucus Status: LIKELY STEELE

**House District 64:** Republican: Troy Woodruff. **Democrat:** State Rep. John Frenz. **2002 Results:** Frenz 10,516, Davis (R) 8,774. **2004 Forecast:** Woodruff told HPR that Frenz is "laying low" and thus it's been hard for him to get the incumbent to "debate the issues." **General Status:** *LEANS D*.

**House District 69:** Republican: Billy Bright. Democrat: State Rep. Markt Lytle. **2002 Results:** Lytle 9,777, Newell 7,678. **2004 Forecast:** Bright told HPR that he believes Lytle is primed for an upset. He noted that his Jennings County roots and his North Vernon business profile will help. Plus, he said, Lytle hasn't been challenged like he will this year. And, Bright noted, President Bush can be expected to carry the district with around 60 percent of the vote. **General Status:** *LEANS D.* 

House District 86: Republican: Mort Large. Democrat: State Rep. David Orentlicher. 2002 Results: Orentlicher 9,909, Atterholt (R) 9,872. 2004 Forecast: Former State Rep. Jim Atterholt believes Large will have some strengths going into his showdown with Rep. Orentlicher. He points out that President Bush is on the ticket, Mitch Daniels comes from the district, and without a Brose McVey-style hard charge at U.S. Rep. Julia Carson, voter turnout there might not be as formidible as it was in 2002. But Atterholt acknowledged that the homestead credit issue and the Indiana Chamber's use of it to attack Large in his primary race with Andy Miller "will be a demagogueable issue." General Status: *Tossup* ❖

# COLUMNISTS ON INDIANA

Jack Colwell, South Bend Tribune -Let's ponder that question and others about the race between Kernan, the Democrat seeking a full term as governor, and Mitch Daniels, the Republican challenger. O. So, does Joe have it locked up? A. Far from it. A statewide poll conducted May 13-19 for the Indianapolis Star and an Indy TV station showed Daniels ahead by 6 percentage points -- Daniels 46, Kernan 40, with the rest undecided or looking to a third-party choice. Q. What does that mean at this stage? A. That the race is likely to be very close. Daniels has done a good job building name recognition with his early-and-often TV spots. And he gained momentum with a big Republican primary election victory over Eric Miller. The poll also showed Kernan had a 55 percent job approval rating and actually was viewed more favorably than Daniels, an indication again that the race will be very close. Q. Why would Kernan be regarded more favorably and get pretty good marks for the way he has handled the job of governor, an office into which he was thrust by the death of Gov. Frank O'Bannon, and still trail in the "who would you vote for?" question? A. A majority of respondents also said they found the state headed in the wrong direction. This means there are voters who like Kernan and admire the job he has done but perhaps are convinced that after 16 years of Democrats in the governor's office it is time for a change, a change of direction. Kernan must convince those looking for a change that he offers the best hope for getting Indiana moving in the right direction after a recession that hit all the states, not just Indiana. O. Does the Kernan campaign agree that Daniels has taken the lead? A. No. A poll conducted May 11-13 for the Kernan campaign -thus, at about the same time as the Star poll -- showed Kernan ahead by 3%. ❖

**Dave Kitchell**, Logansport Pharos-Tribune - Back in the 1980s at the height of his popularity, a soft voice resonated from the lips of a tall ex-actor at the top of a podium with the presidential seal in Mackey Arena. Ronald Reagan, the last American president to visit Purdue University, appeared before a standing ovation from a capacity audience that had waited more than an hour before his arrival for the chance to see the 40th president. He began delivering his speech and had nearly reached the end when he broke with the script and interjected something he self-effacingly said he had believed in for years: That for some reason, God left America as the last place on earth to be explored and developed so that all the cultures of the world could meet here and bring the best of the world to our shores. It was a spine-tingling moment for the crowd and those on the floor covering the speech who suddenly looked up when they realized he was not delivering the speech he had prepared. This was a moment when Ronald Reagan was "The Great Communicator" as advertised.

Gary Gerard, Warsaw Times-Union - Perhaps you've heard of Sgt. Ray Reynolds. He's an Iowa National Guard guy serving in Iraq. He sent an e-mail to a couple dozen friends touting accomplishments of the U.S. in Iraq. At the same time, he was bemoaning the fact that the media only seem to report car bombings and roadside attacks. He then listed some accomplishments and closed with: "Don't believe for one second that these people do not want us there. I have met many, many people from Iraq that want us there, and in a bad way." ❖

# TICKER

ANDERSON, UNION CITY MEN IN REAGAN HONOR GUARD: Being in the right place at the right time earned an Anderson man the chance to participate in the honor guard as former President Ronald Reagan is lying in state in the Rotunda of the U.S. Capitol Wednesday and today. "It's pretty exciting," said Seaman Apprentice Robert Summers, an active Coast Guard serviceman from Anderson. "It's a big honor. My family is real proud. I'll be standing in front of one of the greatest presidents who pretty much fixed our economy," Summers said Wednesday as he prepared for his two onehour watches (Anderson Herald-Bulletin). Army Staff Sqt. Robert Allen Durbin of Union City was one of the **Armed Services officials** selected to carry Reagan's marble casket from the plane (Muncie Star Press). Sqt. Durbin, who went by "Bob" back home in Union City, joined the Army 11 years ago after graduating from Union City Community High School. He returned from service in Iraq last November and earlier this year took a post at Arlington Cemetery, where he is in one of 12 teams that officiate honor funerals.

