



It's 'make or break' week for Gov. Kernan's re-election campaign *IPALCO, debates needed to overcome Daniels lead*

By BRIAN A. HOWEY in Indianapolis

The next week could determine who will be the next governor of Indiana. Gov. Joe Kernan began a full-frontal assault on the Mitch Daniels insurgency. It began last Friday when the governor's campaign successfully sought the release of Daniels tax returns, which revealed he made \$27 million in 2001, in part due to his sale of IPALCO stock as he departed Indiana for the Bush administration.

With that stage set, on Tuesday, Kernan began blasting away at Daniels over the IPALCO sale and by that evening, two TV ads were running that featured IPALCO employees who lost their life savings as AES stock plummeted 90 percent. *HPR* forecast the use of this issue in its Aug. 19 edition.

Sources tell *HPR* that the Kernan-Davis campaign purchased 1,200 television points statewide this week. One characterized the buy as an "end of an election" type of "saturation" purchase. "They were seeing the same thing we were seeing. Our lead was opening up," said Daniels campaign manager Bill Oesterle, who said an external poll showed the Republican with a 13-percent lead. Late last week, Oesterle said he saw other numbers that pegged the lead at 14 points "It's a reaffirmation of the broader spread."

Kernan campaign manager Bernie Toon disputed notions of a double-digit Daniels lead. "The race is very tight statistically," Toon said. "We've got six weeks to go and a lot of undecideds will take their time to go over the issues. That's why we're answering the question of what the governor will do on pocket book issues."

Capping off this week of furious activity is the only scheduled televised debate between the two candidates at 8 p.m. Tuesday Sept. 28 at Franklin College.

The Kernan-Davis campaign hopes that the big TV buy on the IPALCO, college tuition and health care issues will swing the 10-12 percent undecideds.



Gov. Joe Kernan with Ben Ramsey of the Building Trades Council. (HPR Photo)



"Well, this is the incompetence in the administration."

— Senate Foreign Relations Chairman Richard Lugar, on flagging reconstruction in Iraq, on ABC's *This Week*

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Tax returns

This sequence opened up when the Kernan-Davis campaign put out a press release last Friday imploring Daniels to release his tax returns. Daniels promptly did, revealing the \$27-million gain in 2001, the year he became White House budget director. Kernan and his wife reported total incomes ranging from \$210,008 in 2001 to \$110,558 last year. In the end, the *Indianapolis Star* reported, the Kernan campaign achieved its main goal of showing Daniels to be a rich man. Oesterle said 2001 represented a "career's worth of earnings." The story earned above-the-fold coverage in the *Star* on Saturday, and not much coverage in the more heavily read Sunday editions. Fridays are usually the day campaigns release information for stories they want to downplay.

Springing the attack

That set up Tuesday. Appearing at Crew Technical Services in Indianapolis, Kernan said, "Throughout my private and public life, I've gone to bat for Hoosier companies. But my opponent hasn't done the same. When on the board of directors of IPALCO -- an Indianapolis-based utility -- my opponent voted to sell the company to an out-of-state firm. As a result, 400 Hoosier jobs were eliminated, and IPALCO workers, retirees and investors lost tens of millions of dollars." Kernan added, "It's a major difference between us, and it's a part of his record that voters should be aware of."

The two IPALCO ads Kernan is running feature four retirees. "If he can do that to the working man, . . . it's hard to tell what he'll do if he's governor," Chuck Freeman says in one of the ads. On Wednesday, Kernan stepped up the attack at the 86th annual meeting of the Building Trades Council at the Hyatt in Indianapolis. "I made \$27 million less than my opponent," Kernan told the tradesman, drawing a chorus of laughter. "Workers and shareholders lost tens of millions of dollars and we lost a great Indiana company. His response is he sold a \$15 stock for \$25. His response is all about him. It's not about those who got hurt. And that is the difference between my opponent and myself." Kernan added, "I would never propose a sale of an Indiana company. It's not gonna happen on my watch."

Kernan told the *Louisville Courier-Journal*, "I have been the brunt of television advertising that has been attacking Indiana and attacking me since Jan. 19 of this year. And I find myself in a position where I don't believe I have any alternative but to respond in this way. I'm not suggesting any illegality at all. I am saying there was bad judgment that was used that hurt a lot of people."

Daniels called the attack a "smear" and signals a desperation campaign. "They got way behind in the polls," he

said. "They're desperate to hang on to power."

What the Daniels campaign didn't do was specifically inoculate itself from the IPALCO attack. It had been making the case to reporters that the IPALCO deal was legal; that there weren't any merger options in Indiana, particularly after the PSI-Cincinnati Gas deal which came after IPALCO's hostile takeover attempt (which, ironically, Democratic Chairman Kip Tew as a PSI employee worked to block). Gov. Frank O'Bannon could have halted the deal if it was that odious by using the Indiana Regulatory Commission to squelch the deal, the Daniels campaign insists. On Wednesday, the IURC released a statement saying it had no authority to block a merger. "There have been numerous attempts in the Indiana General Assembly to pass legislation granting the IURC the authority to review utility mergers and acquisitions. To date, none has passed," the press release said. "It has been and should remain inappropriate for any governor or lieutenant governor to direct the bipartisan commission to take any specific regulatory action."

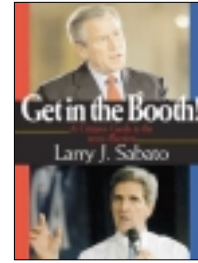
Daniels campaign gambles

It is a gamble for the Daniels campaign. The IPALCO and corporate scandal issues have not been politically reliable. John Fernandez's 2002 secretary of state campaign tried to use it against Republican Todd Rokita, who won. That same year, Hoosier and national Democrats thought the wave of corporate scandals would bring the party back into control in Congress. Instead, Republicans increased majorities.

Oesterle acknowledged the Daniels campaign is in a wait-and-see mode. "This is new information for us," he said. If Kernan begins to cut into what it says is a double-digit lead, Daniels may respond specifically. "For better or for worse, we're staying on the high road," Daniels said (*Indianapolis Star*). But in Evansville Wednesday, Daniels said he "probably" would respond with an ad already in the can. "You can't be slandered and not defend yourself" (*Evansville Courier & Press*). Two weeks ago he told a Republican women's luncheon that his biggest challenge was "keeping my temper." Victory "would be meaningless unless we win it in a way that unites people and raises their aspirations."

Oesterle promised Daniels would use the debates to respond to what he called "personal attacks." Oesterle explained, "The governor's ads imply Mitch behaved unethically and illegally. It's a smear and a bum rap." In next Tuesday's debate, Oesterle predicted, "He will have to answer face to face questions about his accusations ... things he was unwilling to do at the press conference yesterday."

So between now and Oct. 1, critical mass stalks the Indiana governor's race. ❖



‘Rarely do you have a combination of war and peace and the economy in the same year. The equivalent macro years in the modern era were 1968 and 1980. Since the 1960 election, I’d say this is one of the big three: ‘68, ‘80 and 2004. Because war and peace is a very pressing concern, not just because of Afghanistan and Iraq, but the continuing War on Terror that may take us into other countries.’

*- Dr. Larry Sabato
HPR Forum Keynote Speaker*

2004 HPR Forum, 8 a.m. to 3 p.m, Friday, Oct. 1

(Registration ends Monday, Sept. 27)

To Register, call 317-254-0535 or e-mail jackhowey@howeypolitics.com



As the Governor s Race reaches the homestretch, Gov. Kernan appears at 11 a.m., Mitch Daniels at 1 p.m.





A 'Gray Davis Presidency' with faith in Iraqi troops

By BRIAN A. HOWEY

If President Bush prevails on Nov. 2 and is given a second term, are we looking at a Gray Davis presidency? A second term where the public support falls so precipitously that the government loses credibility to govern?

That's a pretty strong question. But it was prompted not by floundering Sen. John Kerry and the Democrats, but Republicans such as Senate Foreign Relations Committee Chairman Richard Lugar, Sens. Chuck Hagel and John McCain. Hagel, appearing on CBS' *Face the Nation*, bluntly said of the Iraq war, "No, I don't think we're winning. We're in trouble, we're in deep trouble in Iraq."

Sen. Lugar, appearing on ABC's *This Week* on Sunday, was asked about why only \$1 billion of \$18 billion earmarked for Iraqi reconstruction was spent. "Well, this is the incompetence in the administration," Lugar replied.

Ouch.

And Democrat Sen. Bob Graham said on CNN that more U.S. troops clearly were needed. "The security situation in Iraq is going to get worse before it gets better," he said.

Now here's what Sen. Kerry said Tuesday at New York University. "Last February, Secretary Rumsfeld claimed that more than 210,000 Iraqis were in uniform," Kerry began. "Two weeks ago, he admitted that claim was exaggerated by more than 50 percent. Iraq, he said, now has 95,000 trained security forces. But guess what? Neither number bears any relationship to the truth. For example, just 5,000 Iraqi soldiers have been fully trained, by the administration's own minimal standards. And of the 35,000 police now in uniform, not one has completed a 24-week field-training program. Is it any wonder that Iraqi security forces can't stop the insurgency or provide basic law and order?"

President Bush said at Valley Forge, Pa., on Wednesday, "You cannot lead the war against terror if you wilt waver when times get tough. You cannot expect the Iraqi people to stand up and do the hard work of democracy if you're pessimistic about their ability to govern themselves."

TIME columnist Joe Klein reported on a "gaggle" he had with Bush spokesman Scott McClellan. "I asked McClellan about the intelligence community's dire assessment, sent to the President in a July National Intelligence Estimate, that we seem to be losing the war in Iraq," Klein wrote. "The role of the CIA is to look at different scenarios," McClellan said.

"But all three CIA scenarios were awful, I pointed out," Klein continued. McClellan began to read from talking points. The "pessimists and naysayers" had been wrong, he said, about the Iraqi people's ability to establish a transitional



Sens. Hagel, Lugar and Biden in Iraq in 2003. All three senators on the Foreign Relations Committee have been sharply critical of U.S. reconstruction efforts. (Photo Courtesy of Sen. Lugar)

government, a national council and a transitional law. The "Iraqi people" had little to do with establishing any of those, but McClellan plowed on.

Klein observed, "Two thoughts occurred to me as the taffy pull continued. For one thing, the President's obvious skepticism about this National Intelligence Estimate stands in stark contrast to his wanton embrace of the NIE he received in October 2002, which said that Saddam probably possessed weapons of mass destruction. My second thought was pretty wicked: Scott McClellan is beginning to sound like Baghdad Bob, the infamous spokesman for Saddam who announced hallucinatory Iraqi victories as the American troops closed in on Baghdad."

After the November U.S. elections, there are supposed to be January elections in Iraq. Between the two there is an expected U.S. offensive to gain control of Falluja, Ramadi, Najaf and other insurgent strongholds in Baghdad, the capital where people even deep inside the "Green Zone" report to work wearing flak jackets and battles raged today.

The idea that the United States is going to rely on Iraqi troops taking over from the U.S. and winning the war against the insurgency is a scary one. We remember the assessment of U.S. Rep. Steve Buyer, who was part of the 1991 Gulf War action, an officer interrogating prisoners. The Iraqi army essentially laid down their arms and fled - its best and brightest having been slaughtered a decade before in the eight-year war with Iran. Buyer told a story of chastising a surrendered Iraqi general for weeping in front of his troops. Buyer implored the officer to "act like a man."

In 2003, the Iraqi army melted away again, with its tougher elements reforming into the brutish insurgency.

Americans spent more than a decade training South Vietnamese troops, and when it was time to fight for the survival of their country in 1974-75, they turned and ran.

It appears to be an act of extraordinary faith to believe a new Iraqi army, faced with a sadistic enemy of historic proportions, will act much differently than it did in 1991 or 2003. ❖



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:** We expect this race to take on new definition within the next week. The Daniels campaign is reporting a 13 percent lead. Kernan confidants have told HPR they believe the flying governor (in aviation terms) is down by 5 or 6 percent. WISH-TV's Jim Shella reported, "There are a number of polls floating around and they lead to just one conclusion: Republican Mitch Daniels has a lead." The size and significance of that lead, however, is in dispute.

Republicans will tell you that Daniels has a lead that is in double digits, a lead that has grown in meaningful ways in recent weeks. Democrats on the other hand continue to suggest that Governor Joe Kernan is in a dead heat."



How his IPALCO, health insurance and college tuition cap ads work will probably be gauged in polls coming out next week. Daniels has chosen not to respond specifically to the IPALCO ads that feature two employees who lost their life savings to date. Daniels is continuing to run his "Roadmap" ads citing the various instances of corruption in state government. He has responded to the Kernan ad proposals on health care pooling. But Daniels said in Evansville Wednesday that he feels the IPALCO attacks have been personal. "We'll have a referendum this November on nasty politics in addition to economic development in the state. I'm



not going to be baited into a mud ball contest, especially by experts" (*Evansville Courier & Press*). So the decisions made over the past 10 days by both campaigns and how each campaign responds over the next 10 days will probably decide this race. Both Daniels and Kernan campaigns predict there will be at least one more debate. "I hope so," said Bernie Toon of the Kernan campaign. "The debates are just what they are, an opportunity to see the candidates in the same forum and size them up. They will help the undecideds make their decisions." On his Crystal Ball Web site,



Gov. Joe Kernan chats with Indiana Building Trades Council labor leaders on Wednesday in Indianapolis. Kernan said he predicted Notre Dame's upset of Michigan two weeks ago and said ND would defeat Purdue 31-28 this Saturday. (HPR Photo by Brian A. Howey)

University of Virginia political analyst Larry Sabato writes Kernan "is in a toss-up race with Daniels. In this heavily Republican state, and after three successive Democratic governors, Daniels appears to have a very slight edge." Sabato will keynote the 2004 HPR Forum at the downtown Marriott in Indianapolis on Friday, Oct. 1, sandwiched inbetween appearances by Gov. Kernan and Daniels. With high-profile corruption probes jabbing at Northwest Indiana's Democrats as the election approaches, party leaders question whether the "perfect storm" promised by federal prosecutors is a little too perfect (Steve Walsh, *Post-Tribune*). In the eye of this perfect storm, they say, is Deborah Daniels, sister of the Republican candidate for governor and a high-ranking member of the Justice Department in Washington. Daniels calls the rumors silly and a sign local Democrats are living in their own odd, universe. Deborah Daniels runs the Office of Justice Program, which doles out billions of dollars in grants to local police agencies. Daniels defends himself against allegations that he has used his connections with the White House or his sister to move along the investigations and help him get elected. "That is a pathetic joke. Things may work that way in the Lake County machine, but they don't work that way in the U.S. Justice Department or in the wider world." Daniels said. He said he met U.S. Attorney General John Ashcroft once, including during his tenure in the White House. He said he has never spoken to his sister about the corruption probes in Lake County. Her role, though she's high on the list of appointed officials in the Justice Department, would not bring her into regular contact with the criminal side of the agency. "It demonstrates a lack of understanding of the process and a



real lack of understanding of my sister," Daniels said. Kernan gave his word Sunday to a large group of Northwest Indiana residents that he will have the state review the legality of a proposed medical-waste dump slated to be built in Gary (Post-Tribune). The governor, who is a licensed pilot, flew himself to the Gary/Chicago International Airport to meet with more than 200 members of the Interfaith Federation who claim placing the dump in Gary is an example of environmental racism. The Rev. Dwight Gardner explained to Kernan that the Midwest Medical Solutions plant could be a violation of the community's civil rights if it's allowed to set up in the city.



"This is an injustice to the city of Gary. It's just not fair," Gardner said. The governor assured the standing-room-only crowd in the airport's conference center he will have IDEM review the plans for any possible civil rights violation. "I am committed to doing anything I possibly can on this issue. You have my commitment," Kernan said. Some residents said Kernan's commitment wasn't strong enough. One person said this issue could determine whether people in this part of the state support him on election day Nov. 2. This prompted Kernan to stand up and address the crowd as a whole. "I want everybody to know, I am here because I wanted to be here and learn about this issue. Don't put this in the context of Nov. 2, because I don't. I hear you, I understand you and I will review this issue," he said. **Status:** *Tossup.*

Indiana 2004 Congressional

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:** Jennings is making a "major campaign announcement" today in five cities. Speaker of the House Dennis Hastert praised Hostettler as an important part of the Republican Party, someone who brings values and "main-street American common sense" to Washington (Pete Ciancone, *Terre Haute Tribune-Star*). "John is a solid part of

our majority. We need to make sure that he is doing well here," he said in opening remarks. Sharp exchanges about the state of the U.S. economy and general philosophy of government punctuated a televised debate recorded Thursday between Hostettler and Jennings (*Evansville Courier & Press*). Hostettler described Jennings as someone who "very much appreciates expansion of government bureaucracy." Jennings, in turn, labeled Hostettler as ineffective and a representative who has not fought for jobs, cheaper health-care costs and college affordability. Jennings decried record federal budget deficits accumulated over the last four years and that size of government has increased. Hostettler replied he has been criticized for taking votes against creating new federal programs or reducing existing programs. "We've heard a lot of rhetoric here," Hostettler said. "The reality is there are real-life votes that have to be taken." Jennings criticized Hostettler's vote against creating the Department of Homeland Security and said he "believes in the men and women working there and Mr. (Tom) Ridge who leads that agency." He also twice mentioned Hostettler votes against full funding of Pell Grant programs. **Status:** *Tossup.*

Indiana 2004 Legislative

House District 26: Republican: Tippecanoe County Councilwoman Connie Basham. **Democrat:** Joe Micon. **Geography:** Lafayette, West Lafayette, Tippecanoe County. **2002 Results:** Scholer 5,630, Micon 4,731. **2004 Forecast:** "The Democratic administrations didn't swing into action until the press and public opinion seemed to threaten their re-election plans," Basham said at Tippecanoe County Republican Headquarters (Dan Shaw, *Lafayette Journal & Courier*). "It's no coincidence that there are cosmetic reforms being announced on nearly a weekly basis by the administration." Basham addressed plans to reform child welfare, citing that 120 children have died from neglect or abuse in Indiana during the last two years. And she attacked Micon for not addressing the real problem for the Indiana Family and Social Services Administration -- its unwieldy size. Micon, during an Aug. 16 press conference, said all 32 reforms the General Assembly proposed last month should be enacted eventually. But until the state has better balanced its budget, Micon said he would only vote for those that cost little or no money. But Basham said such proposals do not go far enough. The first place to begin reform is by reducing the size of the Indiana Family and Social Services Administration by removing Child Protective Services from its purview. "I believe the most important step we could take toward improving the protection of Hoosier children goes well beyond merely throwing more money into the current broken system where criminal neglect has flourished," she said. I believe that Child Protective



Services should be a standalone agency with one executive responsible for reporting to the governor, legislature, the courts and the press." She also wants to create a legislative oversight office for state agencies that would seek to prevent the recent scandals such as those at FSSA and the Indiana Bureau of Motor Vehicles. The governor also should be granted more oversight through a line-item veto, giving that post the power to cut out extraneous spending from important bills before passing them, she said. But Micon said Tuesday that it's too early to begin criticizing the cap since the 2006 budget will be the first that is affected. "This has a solid benchmark upon which to cap spending," he said, adding that he supports the cap. "My opponent's proposal does not." Basham, however, said that doesn't matter because that "solid benchmark" will never produce a projection that realistically reflects future revenues. Instead, she proposes capping expenditures at 99 percent of a realistic projection for revenue growth, although admitting she knows of no immediate way to arrive at such a projection. The answer will only come once the legislature proves willing to cooperate with the state auditor and treasurer to arrive at a new formula, she said. Basham, who later Tuesday visited Purdue University's Shreve Hall to encourage students to register to vote, also criticized the Democratic administration for leading Indiana into economic hardship. She noted that in the last three years, Indiana has ranked among the states with the largest job loss, the smallest creation of new jobs, the most personal bankruptcies and the most home foreclosures. "I did not create this rock-solid case for change," she said. The current and previous administrations did all that work for us. The race for House District 26 is not about rehashing a governor's race," Micon countered. "It's about jobs, education and which candidate will cooperate with both sides of the aisle." **Status:** *Tossup.*



House District 46: Republican: Jeff Lee. Democrat: Vern Tincher. **2002 Results:** LaPlante (R) 8,079, Tincher (D) 7,275. **2004 Forecast:** The motion to "accept" Jeff Lee's withdrawal was made by the Indiana Election Commission but did not pass by a vote of 0-2, with the two Democrats voting no and the two Republicans abstaining. In a document presented by Dan Parker of the Indiana Democratic Party, it was stated, "It is clear from public statements made by Mr. Lee that he voluntarily chose to cease being a candidate. As such, the deadline for him to withdraw from the ballot was July 15, 2004. His purported withdrawal was filed well beyond that deadline and was therefore ineffective. It is also clear from public statements made by Mr. Lee and other public records that he is attempting to circumvent the July 15

deadline by subterfuge. Specifically, Mr. Lee purportedly "moved" from the district specifically because he had missed the deadline to withdraw. Mr. Lee was quoted in the Indianapolis Star as saying that he moved "to be sure the Republican Party would have a chance to replace me." This statement alone negates any intent on his part to actually establish a new residency outside the district. Moreover, Mr. Lee has not actually "moved" from the district and in fact still resides with his family at the same house in the district." State Rep. Brooks LaPlante filed for the open Republican nomination in HD46 on Wednesday while the Indiana Election Commission reconvened to push for him to pay his \$10,000 fine stemming from the 2002 election. LaPlante's entry came after Jeff Lee attempted to leave the ticket, saying he had moved to Sullivan County. That move would allow him to be replaced by LaPlante on the ballot, but the Vigo County Election Board voted to print ballots without a Republican nominee listed. LaPlante told HPR, "I'm putting my flak jacket on. I'm going to file tomorrow." LaPlante has not paid that fine. "I wouldn't be surprised to see them stir the pot," LaPlante said. "That's in the past. I've met enough constituents and people encouraged me to run." LaPlante defeated Tincher in 2002, but the Election Commission determined by a 4-0 vote that he violated election law by not declaring late campaign contributions. Kate Shepherd, spokeswoman for the Secretary of State's office, said the commission deadlocked over the order assessing the \$10,000 fine, and that meant that there are no current proceedings against LaPlante (Pete Ciancone, *Terre Haute Tribune-Star*). "They did not overturn the decision, they simply deadlocked on the order," she said. State Rep. Luke Messer told HPR the Indiana Republican Party is considering legal action to keep Vigo County from printing ballots without a Republican nominee listed. A caucus to name a replacement for Lee is scheduled for Sept. 27. "It's just an injustice to the voters of Vigo County," said Messer, who is executive director of the Indiana Republican Party. LaPlante, R-Terre Haute, made a conspicuous presence at a packed Republican House Caucus fundraiser at Conseco Fieldhouse Monday night. "He would be a frontrunner," Messer said. HD46 Republican precinct officials will caucus on Sept. 27. Last February, LaPlante decided not to seek re-election. The seat is crucial for the GOP to retake the House, currently held by the Democrats by a 51-49 majority. If the GOP can't hold on to HD46, it would make it much more difficult to retake the majority. Lee won a contested primary but revelations that he had been sued four consecutive years by his children's school corporation dam-



LaPLANTE



aged his campaign. In the "what might have been" category, you have to wonder what would have happened if LaPlante had just admitted he screwed up, promised to do a better job of reporting his finances, and paid the fine. He probably would be running a close race with Tincher. However, his defiant re-emergence will win him no friends with district editorial writers, many of whom were chagrined about his election law problems, knowing he possessed a better world view than the aging Tincher. We believe this is, at best an uphill battle for Republicans and probably a lost seat.

Status: *Leans D.*

House District 56:

Republican: Ed Yanos.

Democrat: Rep. Phil Pflum.

2002 Results: Pflum 6,511,

Hamm (R) 6,096. **2004 Forecast:** State Rep. Jeb Bardon walked door to door with Pflum over the weekend and says the Democrat's organization is primed and the candidate is energetically working the district. Pflum suffered from cancer that has gone into remission. A Richmond-area Republican source confirmed that while this race is expected to be close, Pflum has an advantage. **Status:** *TOSSUP.*



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:** Randolph on Wednesday announced he will not be a candidate in the 2004 Democrat mayoral primary in East Chicago, and threw his support to Pabey. "I have decided to put selfishness aside and pursue the bigger issue," Randolph said (*Times of Northwest Indiana*). "I am asking my supporters to vote for George Pabey." Pabey said he was grateful for the endorsement.



Mayor Pastrick

Randolph pledged to file a motion with Special Judge Steven King to have his name removed from the Oct. 26 primary ballot. Pastrick enters his 10th mayoral race - an unprecedented special election ordered by the Indiana Supreme Court - with \$998.80, according to the *Post-Tribune*, which reported that a 2003 loan for \$120,000 appears to have been illegal. Pastrick's campaign also has a \$90,000 debt. Gov. Joe Kernan will stay out of the rerun East Chicago primary on Oct. 26, declining to offer an endorsement to any candidate (*Post-Tribune*). "It would be interesting to see if they are going to be as publicly supportive — as in Joe (Hogsett's) case, up until late July," said Jim Kittle, chairman of the Indiana Republican Party. Kittle was referring to a mid-summer meeting Hogsett had with Pastrick. And top Democrats including Hogsett, then the state Democratic chairman, attended "The Pastrick Reception" at Indianapolis' Skyline Club following Kernan's State of the State address in January, Kittle said. With Randolph's withdrawal, it raises the potential of the Hispanic and African-American community uniting behind Pabey. You can never rule Pastrick out, but it looks as if the stars are aligned against him for his last hurrah. **Status:** *LIKELY PABEY* ❖

04 Bush-Kerry Election Presidential Polls

Rasmussen Tracking, Sept. 20-22
Bush 49, Kerry 44

NBC/Wall Street Journal, Sept. 20-22
Bush 48, Kerry 45, Nader 2

Gallup, Sept. 13-15 +/-4
Bush 55, Kerry 42

Christian Science Monitor, Sept. 14-18, +/-3.3
Bush 46, Kerry 43

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

CBS/New York Times, Sept. 12-16, +/-3
Bush 50, Kerry 42

Newsweek, Sept. 9-10 +/-4
Bush 49, Kerry 43

AP-Ipsos, Sept. 7-9 +/-2.5
Bush 51, Kerry 46, Nader 1

ABC/Washington Post Sept. 7-9, +/-3.5%
Bush 52, Kerry 43, Nader 2





Dave Rutter, *Post-Tribune* - When Indiana Attorney General Steve Carter filed a civil suit charging the city of East Chicago with being a criminal enterprise, he stumbled upon a useful theory. But as with politicians in general, he tripped over a predictably consistent failure of imagination. Though rousing good theater for us fans of corruption catching and politically useful for him, the relevance of the episode seems dubious. We already knew the city of East Chicago was being operated by the Alphonse-Bugsy Wing (as in Capone and Siegel) of the Democratic Party. Besides, Indiana's attorney generals — all of them — are to real crime fighting as the 80-year-old greeter at Wal-Mart is to mega-retail marketing. Gouging East Chicago was a nice thought, nonetheless. We appreciate a good sanctimonious hoot as well as the next guy. But because Carter has already raised the fundamental question, why not extend the scope of the inquiry to its natural outer limit? If several dozen members of the same political party in the same county — different town, different jobs — are indicted within a seven-year span for cheating, stealing, scheming and lying under penalty of perjury, is it just a bunch of random individuals with weak morals? Or — brace yourself for this question — could it be that the corrupt enabling enterprise in Lake County is the Democratic Party itself? We pause now for the paid disclaimer: "We in no way mean to imply that EVERY Lake County Democrat serving in public office is a crook. Some are probably honest. We're SURE some of them are honest." But in the course of a half-decade watching this zoo, we have noticed the indictees have been judges, police chiefs, two county councilmen, an auditor, various party apparatchiks and most of the administrations in Gary and East Chicago. They were all Democrats. How odd. A quick search of the *Post-Tribune's* electronic archives produces this result: Within the last six years, the words "Democrat" and "indictment" appear together in local stories 522 times. Must be some sort of cosmic coincidence. One of those messages was delivered this week to Sheriff Roy Dominguez when he suggested — in a loud voice in front of county chairman Stephen Stiglich's office — that replacing the most recent unfrocked crook should be an open, non-arm-twisting exercise in democracy. Stiglich told the sheriff to shut up and sit down. Pretty much in those words. It would be pleasing if local Democrat leaders would express their deep embarrassment and concern for so much lousy behavior. Promise to be better. Not to allow bad conduct in the future. Indulge us. We're used to lies.



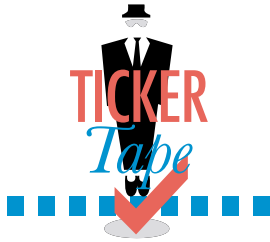
Gary Gerard, *Warsaw Times-Union* - I have been paying close attention to the presidential campaign and listening to what W and John Kerry consider important. This is not to say that what they're talking about — terrorism, economy, jobs, war, health care — isn't important. The one thing that really concerns me — the thing that seems most ominous to me — is the impending U.S. debt disaster. And I can't believe politicians ignore it the way they do. It's like they're Chicken Little in reverse. The sky is falling and they're oblivious. I am a baby boomer. That's defined as someone born from 1946-1964. I'm a '58 model. There are 77 million of us in the United States, give or take a few hundred thousand, and we're going to start retiring in about four years. That's when we boomers will start leaning on Social Security and Medicare. The economic consequences of this are completely predictable, completely obvious and, frankly, pretty darn scary. It is virtually unfathomable to me that W or John Kerry — one of whom, by the way, will preside over this single most enormous fiscal crisis in the history of mankind — are content to ignore it. Not only do they ignore it, they propose slathering on even more expensive stuff — job training, health care, tax cuts, more troops, more homeland security, more defense technology — the list is endless. The U.S. budget deficit this year passed \$7 trillion. However you slice it, that's just a lot of money. And given the current state of affairs in government, the deficit is set to add another \$5 trillion to the tab in the next 10 years. ❖

Jack Colwell, *South Bend Tribune* - There are dangers in the Electoral College even worse than the rather infrequent selection of a president who didn't get the most votes. (Bush was the first president since 1888 to lose the popular vote but still go to the White House.) Worst of all would be the chaotic situation in which no presidential candidate got an Electoral College majority. Then, the choice of a president would be thrown into the House of Representatives for wheeling, dealing and knifing. And get this: Each state would have one vote in the House. The one representative from Wyoming would have as much voice as the nine from Indiana. The one Montana member would be equal to the 15 from Michigan. The two members from the Dakotas (one from North, one from South) would have twice the clout of the 53 representatives from California. Chances of horrors in the House are minimal this time. The threat looms larger when there is a strong third party candidate who might carry some state and keep either of the major party nominees from claiming a majority in a close battle for electors. Syndicated columnist James J. Kilpatrick, in his column that appeared in *The Tribune* on Sept. 11, did come up with a scenario of a Bush-Kerry tie, 269 each, in the Electoral College, and that horrible result of decision in the House. ❖



Congress extends tax cuts without paying for them

Putting aside efforts to control the federal deficit before the elections, Republican and Democratic leaders agreed Wednesday to extend \$145 billion worth of tax cuts sought by President Bush without trying to pay for them. At a House-Senate conference committee, Democratic lawmakers abandoned efforts to pay for the measures by either imposing a surcharge on wealthy families or closing corporate tax shelters. "I wish we could pay for them, but this is a political problem and we have people up for re-election," said Representative Charles B. Rangel of New York, the senior Democrat on the House Ways and Means Committee. "If you have to explain that you voted for these tax cuts because they benefit the middle class and against them because of the deficit, you've got a problem."



Lugar, Nunn 6-to-1 odds to win Nobel Peace prize

Perhaps the biggest honour on earth is winning the Nobel Peace Prize, and on Tuesday 22nd September, the five strong panel of the Norwegian Nobel Committee came to a decision as to who the recipient would be for 2004. There were a record number of candidates for the accolade, but the outside world will not learn which of the 194 names put forward has won until 8th October. The prize itself is not actually presented until 10th December, the day that Alfred Noble died in 1896. Superodds have opened a betting market for the prize and we thought we would see if there were any clues as to who may be named Nobel Laureate for Peace for this year.

Lugar, Bayh vote for Goss at CIA

Indiana's Richard Lugar and Evan Bayh sided with the majority today as the Senate approved President Bush's nomination of Congressman Porter Goss to be director of the Central Intelligence Agency. The vote was 77-to-17. Lugar was among 49 Republicans voting for confirmation, while Bayh and 27 other Democrats supported Bush's choice for the C-I-A post. All 17 votes against Goss were by Democrats.

Souder bill enrages Washington DC officials

Rep. Mark Souder, R-3rd, is sticking his nose in the District of Columbia's business by proposing legislation to erase the city's gun ban, the city's representative to Congress, mayor and a major business group contend. "It's a hateful thing to do," Delegate Eleanor Holmes Norton said Tuesday. Mayor Anthony Williams told House leaders he takes "sharp exception to this wholly inappropriate intrusion into what is clearly a local matter." The business organization, which includes the Chamber of Commerce, said Souder's bill "is the last thing our city needs right now." Since 1976, the nation's capital has banned the possession of handguns. Shotguns or rifles are allowed in homes or businesses but can't be taken off the premises. Souder said the law violates the Second Amendment to the Constitution and has introduced legislation to overturn it.

Pence elected chairman of Conservative Caucus

The House Republican Study Committee (RSC), a caucus of almost 100 House Republicans organized for the purpose of advancing a conservative social and economic agenda in the House of Representatives, elected U.S. Rep. Mike Pence as its new chairman

today. Current RSC Chairman, Sue Myrick (R-NC), praised the selection of Congressman Pence. "I know that Mike Pence will do an extraordinary job expanding the influence of conservatives in the House-and in America."

Peterson wants to tie IPS to Convention Center funding

Indianapolis Mayor Bart Peterson said Wednesday he wants to tie funding to refurbish the city's schools to an expansion of the Indiana Convention Center and, possibly, a new stadium for the Indianapolis Colts. Details of Peterson's plan to pay for a Convention Center expansion have been sketchy, but the mayor said he was disappointed that the Indianapolis Public School Board approved a \$200 million loan before City Hall's plans were finalized (*Indianapolis Star*). Peterson said he would be willing to seek money for IPS from the General Assembly at the same time he asks it for help in funding a Convention Center expansion; that approach likely would not raise property taxes as much as borrowing through a bond issue would. "I think there was a better way of doing it," said Peterson.



Peterson

Vanderburgh County vote machines certified

The Indiana Election Commission has cleared the way for Vanderburgh County to use its touch-screen voting equipment in the Nov. 2 election (*Evansville Courier & Press*). The commission's action came less than a week after manufacturer Election Systems & Software learned that the voting equipment had passed tests conducted by independent testing laboratories.

