

Politics Indiana

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Weekly Briefing on Indiana Politics

Thursday, Sept. 11, 2008

Midnight in the media garden

Access to candidates dissipates as media changes, gates crash

By BRIAN A. HOWEY

NASHVILLE, Ind. - In the first gubernatorial campaign I covered as a reporter - 1988 - I remember sitting at my desk at the Elkhart Truth, a 30,000 daily circulation newspaper, one autumn day. The phone rang and on the other end was Joe Hogsett, Evan Bayh's campaign manager. Joe just wanted to chat. What was going on up in Elkhart? Did I need anything to help my coverage?

I was flattered that this campaign manager down in Indianapolis had called. What a friendly guy. I also knew that if I did need anything, I could just call Joe. The point was seared into my mind even further when Lt. Gov. John Mutz came before the Truth editorial board and almost pleaded for the newspaper's endorsement. Here was an accomplished politician, perhaps the most prepared man in years to be governor, trying to extend the Republican machine, up against the rising star of the Democratic Party. Bayh would go on to win by a 5 percent margin.

In those days, relationships between pols and their operatives and the press were vital. Some reporters like



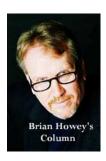
Ed Ziegner were virtually part of some candidates' kitchen cabinets. Growing up in a journalism family, I would come home and listen to my father talk about riding around with Eugene McCarthy all day. The South Bend Tribune's Jack Colwell did the same with Robert Kennedy during the 1968 Democratic primary. "It was valuable to have the one-on-

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Losing the O-Mojo

By BRIAN A. HOWEY

INDIANAPOLIS - This was the time in the election cycle when the big Democratic wave was supposed to be lapping up against the Grand Old Pillars. Instead, Barack Obama - at least temporarily - has lost his mojo. This became evident in Terre Haute last Saturday.



On this Hoosier high ground, the Democratic presidential nominee stooped down to take a swipe at the latest American fad - Republican vice presidential nominee Sarah Palin. "I know the governor of Alaska has been saying she's change, and that's great, She's a skillful politician," Obama said. "But, you know, when you've been taking all these ear-





"Drill here. Drill more. Drill now."

- U.S. Rep. Mike Pence



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Barack Obama in Elkhart in early August when he appeared to be on the top of his game. He is now in a donnybrook race against Sarah Palin (and John McCain). (HPI Photo by Ryan Nees)

marks when it's convenient, and then suddenly you're the champion antiearmark person, that's not change. Come on! I mean, words mean something, you can't just make stuff up."

Clearly, less than two weeks after Obama passed on Hillary Clinton to be his running mate, he is now flat-footed in dealing with the Palin phenomenon. She is in his head.

Just a month ago, we guessed how it was so unlikely that the historic and disciplined Obama campaign would lose its way as we head into the critical home stetch. But the final two weeks of the veepstakes - played out vividly here in Indiana - were almost too cute. The secret text message went out at - 3 a.m. - leaving Hillary Clinton (and Evan Bayh) of Convention when Bill and Hillary Clinton vividly endorsed the Obama campaign. Then came the speech of the century. But the more I reflect on what was supposed to be the Denver masterpiece, the more it seems that Obama descended from the lofty heights he used to derail Hillary, and became just another politician.

Quick, think to yourself two weeks after what the defining moment of that speech was? What was the "I

have a dream" catch phrase?

There wasn't one. The grand setting at Mile High dwarfed the oratory.

About 13 hours later Sarah Palin walked out of the mist and into a Dayton basketball arena. Obama's bounce moment was prematurely clipped in Ohio, first by Hurricane Sarah, and then during the following weekend with Hurricane Gustav. A week later, Palin's Republican National Convention speech eclipsed the one John McCain would give 24 hours later. It seemed to capture the quote that is driving the Obama campaign nuts - Rick Davis's notation that this campaign won't be about issues, but personalities.

Even more ironic is that with cheering Republicans in the twin cities, McCain and Palin essentially ended up taking swings at the Bush-Cheney Republican legacy that was supposed to be the millstone around the party's neck. The Republicans didn't get religion, they got change. They talk about celebrity and lipstick.

In Sarah Palin, there finally was a personality that stole Barack Obama's thunder. It is exacerbated by the Obama campaign decision not



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to accept federal election funding. Earlier this week, there were near-hysterical stories of the Obama campaign pressing their financiers to step it up.

From the time Obama left Elkhart and Portage with apparent command and laudable discipline for keeping the veepstakes secret, to Wednesday in Norfolk where he threw his hands up and accused the media of "lies, outrage and swift boat politics," we have witnessed the loss of O-mojo.

It was almost comical that the crux of his emotion came with his "lipstick on a pig" remark, playing off Palin's convention pitbull classic. "See, it would be funny, but the news media decided that would be the lead story yesterday," said an exasperated Obama. "This happens every election cycle. Every four years, this is what we do. This is what they want to spend two of the last 55 days talking about. Enough! These are serious times and they call for a serious debate. Spare me all the phony outrage. Spare me all the phony talk about change."

Then came Palin's visit to Virginia on Wednesday, where she and McCain drew 23,000 people. It was the biggest turnout for the GOP ticket and it came in a state where Gov. Tim Kaine had been another vanquished veepster. Should Palin turn up in Bayh Country, don't think for a moment there wouldn't be a similar crowd. Obama's decision to go for Joe Biden's "stature" over Kaine and Virginia's 13 Electoral College votes, Bayh's Indiana with 11 Electoral College, or adding Hillary to the ticket which would have

inoculated him against the Palin dynamic is now in for deep Monday morning quarterbacking.

The Howey-Gauge Poll the day after Obama's speech had McCain leading in Indiana 45-43 percent certainly took into account Palin's ascendency, but not the GOP bounce. It showed that 34 percent of Hillary's Hoosier supporters were going to vote for McCain, but that was before the Indiana delegates began fanning out to their communities to try and convert the Clintonites. U.S. Rep. Brad Ellsworth told HPI, "I don't think you'll see that many" Hillary supporters defecting in November. Can Obama carry Vanderburgh County? Ellsworth responded, "It will be close, but it's possible."

CNN released a poll in Virginia Wednesday that shows McCain leading Obama there 50-46 percent. In Missouri - which has backed every winner but one in the past 100 years - McCain is up 50-45 percent. The only good news for Obama came in Michigan where CNN has him up 49-45 percent and New Hampshire where he leads 51-45 percent. But there was an ominous trend: the current results in those four critical states virtually mirror what happened there in November 2004.

The silver lining for Obama? There's still 54 days left. A campaign can expect a bad week. They hope they come early. This one for Obama is coming moderately late, but there's still time to retool the message. He still has a 243-189 Electoral College vote lead, but those last 27 Electoral College votes are going to be tough. ❖

Midnight, from page 1

one contact," Colwell explained. There's a reason why '68 is seared into the collective minds of the media 40 years later. Key reporters had intimate views. This wasn't "gotcha" journalism. It was interactive. We got to watch the

candidate interact with the people. There were extended conversations that went well beyond the 30-second soundbite. Candidate and writer might talk about Vietnam, inflation, or their families or the Chicago Bears. Or Vance Hartke. Whatever.

Those days, for

the most part, are gone. In 1988, I traveled with Bayh for a day down to Evansville. During the 1992 Democratic presidential primary, I spent an afternoon in the backseat of a car with Hillary Clinton in Fort Wayne and Arcola. I literally ran across the city of Anderson with Hogsett during his congressional race with David McIntosh, and then a swing

through the district with he and Bayh. In 1996, more than a dozen reporters rode by bus to from Michigan City to Chicago with Bayh and Frank O'Bannon to the Democratic National Convention, spending more than an hour trading stories. There were several days spent with O'Bannon and McIntosh during the 2000 campaign. During the candidacy and reign of Gov. Mitch Daniels, there have been three or

four travel days. Last summer, there was a splendid eight days with Sen. Dick Lugar and Sam Nunn that took us through Russia, Ukraine, Albania and Great Britain. Half of those evenings were spent at the dinner table with either Lugar or Nunn where much of the conversation was off the record but extremely helpful

on background.

This change really began to sink in during the presidential primary race between Clinton and Barack Obama. Unlike the days of RFK and McCarthy, no one got to ride along with the candidate. When I asked about access to Obama, a campaign aide told me, "Oh, we might



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try to get you 10 minutes with the candidate." And thus it was. The South Bend Tribune's Ed Ronco got in a 10-minute interview. Some of the TV stations might have had a little longer. I couldn't get anywhere with Clinton, despite my relationship with Jonathan Swain going back to the O'Bannon days. I ended up with 20 minutes on the phone with Obama. His April bus swing from Indianapolis to Columbus to Bloomington and finally Terre Haute had the candidate segregated from the press except for the 20

minutes Obama greeted voters at Nick's English Hut. John McCain's Straight Talk Express is, I believe, heading toward the Smithsonian.

In the gubernatorial race, the access has been nil. This past year, dealing with Daniels and Democrats Jim Schellinger and Jill Long Thompson, the access has essentially dissipated. Howey Politics Indiana hardly has a "dig the dirt" or "I gotcha" reputation, but riding along with either Democrat has been an exercise in futility. Unlike my first brushes

with Hogsett, when I first met Thompson campaign manager Travis Lowe at a February presser, I left wondering whether he suspected I was the one who had run over his dog. When I broached the ride-along subject with Thompson at the Indiana Democratic Convention, she pondered my request for a moment and then stated, "Possibly, but you'll have to ride in another car." So much for relationship building there.

But, I can at least get the candidate on the phone, right? On July 20, I sent Thompson's communications director Jeff Harris several questions. Three days later - three days! - Harris responded, "Thanks for the e-mail. Sorry for the delay in responding...but here's our answers" Our answers? What about the candidate? Can't I get the candidate on the phone? Isn't she talking to the media? "Well," Harris responded, "She does talk to the media." Just not in uncontrolled settings. Just not to you. To talk to Thompson, you have to show up at a press conference or an event where you might get in two or three questions with a lot of people milling around.

With Schellinger it was even worse. After a 90-minute interview in February 2007 where he unveiled his life's story, and a brief phone call in April, access to the candidate was virtually impossible, thanks to Mike Edmondson, who ran that campaign into the ground until the end of that year. By summer 2007, I stopped trying. By the beginning of 2008, my attitude was, "Why should I give him any ink?" Finally, when I showed up to a Schellinger presser on the Canal in downtown Indianapolis to hear his healthcare plan last April, Schellinger talked issues and then said, "It's so good to see and talk with you." By that time, Schellinger was trailing Thompson in the polls. He would lose by 1

percent, or about 13,000 votes. Which makes you wonder what might have happened if there had been five or six Tully or Howey or Marcus columns (among the three of us, we reach well over half a million newspaper readers a week), or any other kind of earned media campaign.

Lack of candidate access is not just with Howey Politics. Most political reporters I've talked with have jumped through similar futile hoops. And it shows. The earned media garnered by Schellinger and Thompson is mi-



nuscule. Daniels and Thompson have been doing newspaper editorial boards, but those are geared toward winning endorsements.

Which begs the question: why?

News in atrophy

The answer may lie with what's happening in the news industry. Over the past month, we've seen the Noblesville Daily Times close. There have been layoffs at the Indianapolis Star, Evansville Courier & Press and the Vincennes Sun-Commercial. All indications are there are more on the way. Advertising and circulation are in freefall. Newspaper websites across the state are appealing for readers to send in photos. Vincennes laid off its full-time photographer. Then came the kicker: controversial Chicago Sun-Times sports columnist Jay Mariotti quit, telling the rival Chicago Tribune that "newspapers are dying." The action is moving to the web.

"You're seeing a pretty fundamental shift," said John Krull, the former Indianapolis News columnist who is now director of Franklin College's Pulliam School of Journalism. "Up until three or four years ago, newspapers were trying to use the website to drive people toward the paper. Now that's shifted. They're using the newspaper to drive people toward the web presence." At the same time, local TV network affiliates are devoting more of their news websites to print, while newspaper reporters are carrying around video cams to bring motion to websites.

Before the Kevin Raders and Jim Shellas of our world get too smug, there are similar writings on the wall for the TV networks and local affiliates. CBS has talked with



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CNN about essentially outsourcing its news division. CNN led all the networks in Democratic National Convention coverage. With the rise of the Internet and direct mail, it's not too hard to fathom a day in the not-so-distant future when the 30-second TV ad becomes a dinosaur. Bob Garton and Larry Borst were not defeated with TV ads, but with direct mail. Howard Dean in 2004 and Obama this year are doing what I predicted several election cycles back: Someone will figure out how to work the web and get its results subterranean. We caught glimpses of this in 2003 when Fort Wayne Mayor Graham Richard ran his re-election campaign largely from beyond the view of established media. He won a landslide victory and is a huge fan of Obama's "Facebook meets netroots" wonder world. Now the Daniels and Obama campaigns twitter and text.

The news after Barack Obama's acceptance speech was that he had 40 million TV viewers. Unknown is how

many people have and are watching his speech on YouTube and via e-mail attachments that have spread in pyramid fashion by millions of his supporters. His whole veepstakes rollout began after midnight with text messages to supporters. The fact that the news media actually figured out the Joe Biden mystery several hours earlier may have been the big media's last hurrah. The New York Times' Frank Rich observed in print last month, "The Obama campaign's full reach online - for viewers as well as fundraising and organizational networking - remains unknown. None of this, any more than the success of Obama's acceptance speech, guarantees a

Democratic victory. But what it does ensure is that all bets are off when it comes to predicting this race's outcome. Despite our repeated attempts to see this election through the prism of those of recent and not-so-distant memory, it keeps defying the templates."

This observation comes as the national media is storming Wasilla looking for "dirt" on Gov. Sarah Palin, the same way they did with Dan Quayle in 1988. And they come shortly after Rich's boss - Arthur Ochs Sulzberger Jr., publisher of the Times, - has publicly pondered whether his great masthead will appear on newsprint in the not-so-distant future. The biggest white elephant in Indiana could well be the Indianapolis Star's new printing press.

The news media is in for wrenching change over the next five to 10 years. By Indiana's bicentennial, the number of newspapers and TV stations offering original news (at least three TV stations have ditched their news departments) may dwindle as dramatically to scale as the number of news organizations that still maintain press shacks in the basement of the Statehouse.

"As a business model, newspapers don't make a lot

of sense any more," Krull said. "They now have the capacity to update; offer it to consumers on a minute-by-minute basis."

Sooooo, then what?

Bowling With the Blogosphere

The interaction, however great the friction or lubrication has been, between press and politician is being redefined. The common public ground is being swallowed up in the quicksand of 24-hour cable and Internet news cycles. The free marketplace of ideas goes, where? To the campaigns? The blogs?

"The explosion in communication technology has made it easier for campaigns and candidates to communicate directly with voters and their base," Krull observed. "Traditional mainstream media for a long time had a mo-

nopoly. Politicians had to go through the gatekeepers. That gate has been kicked down."

Kicked down to the point that the John Mc-Cain campaign actually had serious deliberations on whether to make Alaska Gov. Sarah Palin available for sitdown interviews. Is Tim Russert spinning in his grave on that one?

"What is going to be interesting is to see what happens to the vetting process," Krull said. "Media would be scrutinizing people. You were paying reporters by proxy with subscription to do the research, ask the tough questions, do the information gathering. There's nothing out there that's filling that need."

If you're a pure political animal, this might bring a broad smirk to your face. To hell with-Mary Beth and Howey and Tully. The cam-

paigns can completely define themselves. And the good ones can jump the curve and define their opponents. David Broder and his "ad watch" campaign of a decade ago are dead. The press watchdog becomes the invisible character under leash in the "Midnight in the Garden of Good and Evil" with John Cusack's John Kelso character observing that future campaigns might be reported through the haze of Internet salvia.

The hot medium is the blogoshere and YouTube. "The blogs are a new medium," Krull explained. "They are evolving. The standards of conduct are being debated. By and large, they don't replace traditional media. There's a shift, not just in the way content is delivered, but also in the way reporting is done. It's unfiltered."

Is it this nebulous, frequently untrained, biased, unresponsive and unaccountable "citizen journalism," occupied by attorneys, law students, gadflies and, of course, the formerly known as "Nastiest Woman in Indiana Politics," that is poised to replace the press and the diminishing TV eyewitnesses? The blogs are already driving news while the news lays off reporters and photographers, jettisoning





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institutional memory. To stay in tune, you have to at least breeze through to read the latest rumors and the reaction from the anonymous cowards in the blogosphere. Is this where the 4th Estate lands?

On Monday, Hoosier Political Report's Jennifer Wagner posted the "rumors" that Jill Long Thompson had suspended her TV advertising and was laying off field staff. HPI was able to confirm the reports through campaign spokesman Jeff Harris. Half the blogs out there, because of their political affiliation, aren't in a position to talk to rival campaigns. It's as if the media is de-evolving to the early days of the nation when Jefferson and Hamilton were funding rival newspapers with Treasury and State funds to

push their points of view. The Elkhart Truth was founded by band instrument maker C.G. Conn (and future Republican congressman) to push the placement of a Civil War monument. In the mid-to-late 19th century, newspapers began on party affiliation and were perpetuated by Indiana code that required government classifieds to be posted in both Democrat and Republican newspapers. That was before e-Bay and Craig's List. When Macy's bought L.S. Ayres, the days of six or eight full-page ads in the Indianapolis Star were over, and now you have a thinner newspaper and more postings on IndyStar.com. The under-30 set gets its news from the Internet, text alerts or Comedy Central's Jon Stewart, not newspapers or the 6 o'clock newscast.

What is disappearing is the common ground. Blue Indiana will never land an interview with Gov. Daniels. Wagner's HPR (hmmmmm, that's original) reflects a subdivision within the Democratic Party, with her postings hostile to Jill Long Thompson. There is now a fragmenting of the news media and, ultimately, the truths, half-truths and outright lies that are now propagated. "At least with the old information gatherers came fact checkers," Krull said. "The danger here is there is no mechanism to engage with facts that might be unwelcome to us. It's a full circle. We're going back to early days when newspapers were funded by the parties."

Those who forget history are condemned to repeat it, as the saying goes. Is there a Gov. Ed Jackson groping in this void as Hoosiers prepare to go bowling alone? During the last seven decades of the 20th Century the tyrants and pretenders were largely kept at bay. After the Klan took over the state in 1924, there was the response of media organs (in this case, newspapers) who outed the scores of governors, legislators, mayors and prosecutors who donned white robes in the midnight garden.

What happens in the coming century?

Morning in Indiana

What to do? If newspapers and TV stations morph into each other as they cut staff, investigative teams and resources, and are driven by the blogs - and check out the number of dailies in Indiana where reporters are now blogging - and standards continue to slide, who becomes the watchdog? With the demise of Hudson and independent analysis organs such as the Indiana Fiscal Policy Institute, where do we find common ground and research on the vital issues of the day?

When I attempted a new, 21st Century publication - the Indianapolis Eye - in 2002, our goal was to be in print. We were five years ahead of our time. Then, the In-



ternet could not support the advertising models. That's not the case today. Now there are news foundations starting in places like San Diego, where the profit margin doesn't cut into the neck of the watchdog. The integrity of the 4th Estate might find incubation in such a scenario. There are now investigative-reporters-for-hire projects under way. But who funds them and where do the reports end up? If the news isn't what the funder wants, do the stories get spiked? Or are they loaded into a blogosphere's propaganda machine? Where does the truth begin and end?

The news foundation, funded by community fathers who believe in seeking truths, will probably be the answer, feeding new facts and realities to the hollowed media organs that survived raw capitalism and will seek credible and cheap news. The profit motive in internationalized American journalism will give us the invisible dog on the leash. President Lincoln observed, "I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real facts."

Lincoln also said, "America will never be destroyed from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves." *



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Thompson's black hole

Governor 2008: Republican: Gov. Mitch Daniels, .Democrat: Jill Long Thompson. 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 Results: Daniels (R)

1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. **2008 Forecast:** The world's largest particle collider went into action Tuesday night in Switzer-

land and did not create a black hole poised to swallow planet earth, as some Race

alarmists feared on NBC's Today Show. It might have, however, swallowed the Jill Long Thompson gubernatorial campaign.

HPI's Horse Race is moving this race from a "leans Daniels" to "likely Daniels." We'd like to see a couple more independent media polls before this race goes into the "safe category." The reasons are simple: we are not seeing

the national Democratic wave we had once expected. The McCain-Obama race is now a dead heat - not only here in Indiana where Howey-Gauge had McCain up 45-43 percent - but nationally, with McCain getting about a 10 percent post convention bounce. The national dynamic is bad news for Thompson. That's not to say that a wave one way or the other can't materialize. Ronald Reagan's 1980 landslide didn't fully muster until the final weekend.

At a point when challenger campaigns hope to close the gap to single polling digits by Labor Day and rev up media buys, the

Thompson campaign is headed in the opposite direction. It is bringing in a new media consultant. It has suspended its TV advertising with not much money in the pipeline, laid off field staff and then lashed out at Gov. Daniels over use of state aircraft. What is increasingly evident is that Thompson's amateurish campaign is in complete struggle mode. Howey-Gauge shows her trailing Daniels 53-35 with her numbers barely moving upward when we look at the trendlines we established with our February poll. The Aug. 29-30 Howey-Gauge poll is consistent with other recent



The missteps include a muddled message and the Thompson field operation. The campaign didn't have a field director until mid-summer. It was still advertising for field personnel in August (in contrast, the Daniels field operation was in place in 2007). Then it pulled the plug on its 2nd, 8th and 9th CD operations late last week. Democratic operatives in Southern Indiana told HPI that not only did Thompson "fire" staff, it also canceled appearances in the South. It is a far cry from 2004 when Gov. Joe Kernan's strategy was built on carrying the south. Thompson spent the first part of the week in the "south" - South Bend, that is. One Democratic county chairman told HPI, "This is a disaster."

Thompson told the **Terre Haute Tribune-Star** at a press conference that the campaign was reallocating resources. "It does involve identifying Democratic voters and getting them to the polls on Election Day. I think it makes a

lot more sense for us not to du-

plicate that particular effort in my campaign," she said. Campaign spokesman Jeff Harris told HPI, "We've adjusted our people. We didn't anticipate the Campaign for Change to be as comprehensive here." He said that between the Obama and Thompson campaigns, "we are covering every inch of Indiana."

Blue Indiana pondered the wreckage: "Her campaign isn't distorting the truth when they say that Obama's extensive GOTV effort will largely do their work for them. What is of note to me is that Obama's field presence isn't exactly a recent development, and most astute political observers probably realized these logisti-

cal realities three months ago when the Obama campaign roared into the Hoosier State and widely made it known that they were going to open 20-30 field offices statewide for the benefit of all Democratic candidates. I for one had been scratching my head at the number of field hirings by the JLT staff, especially when looked at within the context of the Obama campaign's huge coordinated effort and Daniels' active television presence. Why reinvent the wheel, especially if the coinage could be pumped into (admittedly





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weak) television spots?"

As for the Thompson TV ads, it prompted one Republican to say, "We're thinking about raising money for Thompson so she can keep running those TV ads." Ouch.

Cam Savage, a spokesman for Gov. Mitch Daniels' re-election campaign, reacted to the Thompson suspended media buy saying, "They're broke. You don't go off the air at this point in the campaign unless you don't have money. You can change strategy and still remain on the air."

If a campaign can't maintain air time, the alternative is earned media. This is something the campaign could have been doing for the past year, but this campaign's media relations are abysmal. We've talked to a number of reporters who experience the same things we have: can't get the candidate on the phone; no one-on-one sitdowns; no travel opportunities; long delays in getting responses on issues. When you win a primary campaign by 13,000 votes and have steep fundraising challenges, earned media - a couple of press conferences a week - can keep a candidate in the news. Instead, the Thompson campaign disappeared for six weeks between the primary and the Indiana Demo-

cratic Convention. Cook said in an e-mail to Abdul Hakim-Shabazz about the Thompson campaign, "If they spent half as much time as they do complaining about blog posts devising a real earned media strategy, they might not be in such bad shape."

So, with the Thompson campaign slipping into the political black hole, what do you do? You take a page out of the Bob Garton playbook and go after the governor's use of state aircraft. This is the Thompson version of "earned media."

Thompson alleged

that Daniels used state air-

craft to travel from his weekend home in West Virginia to present the Governor's Cup to the winner of the Madison Regatta this summer. The Thompson campaign also alleges that Daniels has used state transportation and staff on days when he made Republican Lincoln Day addresses. Harris said that if the records are not released, Thompson will file a complaint with the Inspector General's office and the campaign laid out a 48-hour ultimatum. "The governor's failure to acknowledge this issue and his stubborn refusal to release these records doesn't exactly inspire confidence," said Long Thompson. "If he has nothing to hide, if he did nothing wrong, then he should come forward and lay it all out for the public to judge for themselves. I had hoped,

and frankly expected, him to do that by now."

Savage of the Daniels campaign told HPI Wednesday that despite Thompson's public claims, "They didn't ask officially for records." The Thompson campaign did ask supporters to e-mail Daniels campaign manager Eric Holcomb's personal e-mail account to press the point. That response was anemic with Holcomb getting only a couple hundred e-mails. "The governor has done everything by the book," Savage said of his official and political travels. Daniels office spokesman Jane Jankowski called it a "political stunt."

CAMPAIGN NOTES: We are now heading into the debate sequence with Daniels, Thompson and Libertarian Andrew Horning scheduled to meet at 6 p.m. Tuesday (7 p.m. NW Indiana time) in Merrillville. In their first joint apperance of the fall campaign, Daniels and Thompson talked and took questions at the Indianapolis Chamber's 8th annual Hobnob at the Indiana State Museum. Thompson talked of her new education proposals, saying that "education is a lifelong process" as she boosted her plan to allow students five years to graduate and giving one book a month to children from birth through age 5. "We

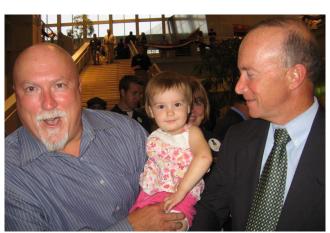
have to increase the high school graduation rate,"
Thompson said. She took a jab at Daniels, saying, "Gov. Daniels runs some real good TV commercials. He's not running the state as well. We've lost 40,000 jobs."

Daniels was asked what his biggest disappointments were with the Indiana General Assembly. He responded, saying, "I try not to concentrate on the mistakes. I celebrate their successes." Daniels noted that he passed landmark legislation like Major Moves with a Republican House majority and property tax and telecommunications reform with Democrats in control.

Total 2008 HobNob.

House majority and property to and telecommunications reform with Democrats in control "When Hoosiers work together - if we stay together as a state - we can progress," he said

Daniels is scheduled to make a campaign swing on Wednesday from South Bend through Peru and Kokomo. Daniels' TV media is pre-paid through the rest of September and part of October. Thompson picked up endorsements from Social Workers and Plumbers and Steamfitters, with the latter press release announcing that endorsement would help "flush" Daniels from office (a real knee-slapper there). Daniels was endorsed by the Indiana Pork Advocacy Coalition. He announced 100 new Honda supplier jobs in Versailles on Tuesday. Horse Race Status: LIKELY DANIELS.



Gov. Daniels visits with Dick and Kiera Lutin at the Greater Indianapolis Chamber of Commerce 2008 HobNob.



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Coattails and the Indiana House

By BRIAN A. HOWEY

INDIANAPOLIS - About that big Democratic national wave ... it's MIA. Perhaps it will take a Palintologist to unearth what was supposed to be a sensational Democratic year. When it comes to who controls the Indiana House, we find the environment much more palatable to Republicans than it has been for months.



At this writing, we forecast either Democrats or Republicans controlling the House, probably not by much more than a 51-49 margin. A 50-50 scenario is a

distinct possibility. This scenario increasingly underscores the missed opportunity Democrats had in 2006 when they ended with a

scant 51-49 seat majority during the height of the anti-war fervor. Three congressional seats flipped from R to D that cycle and many observers (including the ol' Horse) believed Democrats could win a 53 to 56 seat majority. That underachievement haunts the Democrats today.

The floundering Jill Long Thompson campaign could impact the House in two ways: it will give Democratic House Speaker B. Patrick Bauer the ability to raise more money, some of which was expected to go toward the gubernatorial campaign. It sets up a more vivid ticket-splitting scenario as a significant percentage can be expected to vote for change agents Barack Obama and Gov. Mitch Daniels that could extend further down ballot.

Daniels will likely have longer coattails. With Thompson fading, he stands to have a greater impact in HD 63 where Republican Mark Messmer is facing DuBois County Commissioner John Burger, in HD49 where State Rep. Vern Tincher is facing an intense challenge from Republican Bob Heaton, HD44 where State Rep. Amos Thomas is being severely tested by former Greencastle Mayor Nancy Michael, and in HD31 where State Rep. Tim Harris is attempting to fend off Democrat Joe Pearson.

Obama, too, will have coattails, if he can stoke up the African-American vote to the tune of 92 or 93 percent, particularly in the two competitive Indianapolis seats. That will help Democrats in HD97 where Mary Ann Sullivan is seeking to upset State Rep. Jon Elrod, and in HD89, the open seat of Republican Rep. Larry Buell where Democrat

Indiana House Horse Race

Democrats

51

Republicans 49

Tossups

HD26 (Open) Polles vs. Truitt HD63 (Open) Messmer vs. Burger **HD 46 Tincher vs. Heaton**

HD15 Lehe vs. Sutton HD31 Harris vs. Pearson **HD44 Thomas vs. Michael** HD89 (Open) Swatts vs. Barnes HD97 Elrod vs. Sullivan

Leans

HD5 Fry vs. Miller HD17 Demobowski vs. MacKillop HD62 Blanton vs. Tarr HD20 Dermody vs. Cooley HD48 Neese vs. Hardy HD35 Lutz vs. Mengelt HD4 Soliday vs. Chubb **HD52 (Open)Yarde vs. Papai**

Likely

HD38 Clements vs. Snow HD92 Hinkle vs. DeKemper

HD36 Austin vs. Burrows HD68 Bischolff vs. McMillin HD69 Cheatham vs. Coates HD37 Reske vs. Gaskill HD70 Robertson vs. Hunt

> John Barnes is squaring off with Christopher Swatts. Here is a race-by-race look at the most intense battles:

HD4: Democrat Larry Chubb is expected to give State Rep. Ed Soliday a tough race. This one could go either way.

HD5: State Rep. Craig Fry is facing a stern challenge from former two-term Elkhart Mayor Dave Miller. Both parties are taking this seat seriously.

HD15: State Rep. Don Lehe faces a rematch from former Newton County Sheriff Myron Sutton. He survived narrowly in 2006. We don't think Obama's coattails will extend far into this district and we give the Republican a slight edge. Slight.

HD26: This may be the most fascinating race of all. It's an open seat with Democratic State Rep. Joe Micon retiring. Republican West Lafayette Councilman Randy Truitt is facing Purdue Prof. John Polles. That's a marquee matchup. In a close race, will Daniels' coattails out-flank Obama's, who will seek a big turnout of Purdue University students? House Minority Leader Brian Bosma predicts that Truitt will prevail, but we think this one is too close to call.

HD31: State Rep. Tim Harris has won his past two races by razor-thin margins. Joe Pearson, the 2006 Democratic secretary of state nominee who narrowly lost to Todd Rokita, is the best candidate Harris has faced and will go negative if he has to. But Pearson is working a job in Scottsburg, spending much time there. Harris is hardly out



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of the woods, but he's in better shape than we expected him to be at this point. Daniels running strong could help.

HD44: Nancy Michael received the Indiana Farm Bureau endorsement over State Rep. Amos Thomas. In 2006, IFB had endorsed former State Rep. Andy Thomas, son of the current incumbent. This is a significant endorsement and could give the Democrats a critical pickup. A key question is whether Obama can stoke up student turnout at DePauw University that might benefit Michael.

HD46: Democratic State Rep. Vern Tincher is perennially on the bubble. Former Indiana State basketball star Bob Heaton appears to be giving him an intense challenge. This will likely be a close race.

HD63: This open seat of Democrat Dave Crooks is atop the GOP's wish list with Messmer being well-funded. Republicans think Daniels' coattails can make a big difference, a far cry from the days of the John Waterman lunacy when GOP chairs were predicting Daniels might tank. With

Thompson no longer much of a factor - particularly in Southern Indiana - and Obama's coattails constricted, this could be a Republican pickup.

HD89: We still believe this is John Barnes' race to lose. He will almost certainly benefit from Obama's coattails. Perhaps the Demcorats' best pickup opportunity.

HD97: Republicans tell us that Rep. Elrod has a big, double-digit lead over Democratic rising star Mary Ann Sullivan. Ponder this: November will be the sixth time Elrod has appeared either on the ballot or in a caucus this year after his run against U.S. Rep. Andre Carson in the March 11 special election (and caucus), the primary (and caucus), and then re-entering HD97 (via caucus). Elrod has high name ID and all his political activity gives him a leg up. But if Sullivan can bring in enough money for a significant direct mail and late TV buy, Elrod's lead could disappear quickly. Throw in Obama's support in the African-American voters and this could be in the recount zone. ❖

Mortgage crisis & you

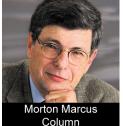
By MORTON J. MARCUS

INDIANAPOLIS - Can you hear it? Citizens throughout Hancock County and the rest of Indiana are

saying, "What does Fannie Mae or Freddie Mac have to do with me?"

The answer may be your job, your child's college education, your ability

your next vacation.



Fannie and Freddie, if I may be familiar with them, are giant pumps moving money from around the world into the U.S. housing market. If you have a mortgage on a new or

to pay for a needed operation, or just

a pre-existing home, the "owner" of that loan probably is not the party who lent the money to you. That loan has been bundled and sold to some person or organization in this country or somewhere else on earth.

Fannie and Freddie get their money from three main sources. First, they have money from the sale of stock; second, they get money from bonds that they sell to investors; third, they get money from those who buy mortgages from them.

Fannie and Freddie spend their money buying mortgages, repaying bonds, and paying interest and dividends to their investors. Some of those investors are among the largest banks in the world.

What happens if the mortgages Fannie and Freddie sell to others begin to sour? That is, if the people who owe money on mortgages stop their monthly payments? Then mortgages stop being good investments because they are not providing the flow of cash expected by the lenders. People with money to lend will stop buying mortgages from Fannie and Freddie who then can not buy mortgages made to you, me, and our neighbors.

If Fannie and Freddie don't buy mortgages, banks will have less money to lend for housing construction and remodeling. Housing construction is a vital part of the American economy. It has an effect on the sales of lumber and other building materials, heating and cooling systems, appliances, carpeting, furniture and dozens of other items. Water and sewage lines are built for new houses and that means more construction machines and materials.

If people can not readily finance new housing they stay put where they are. This lowers the prices at which new houses sell. Lack of financing also lowers the prices of existing homes. This keeps folks from upgrading to a nicer home. It might lead to more remodeling, but where will the money come from for remodeling?

Many folks are able to remodel by getting a second mortgage, a home equity loan. But if the values of housing are falling, lenders will lend less and tighten standards for loans. The whole system begins to slow down until lenders have their faith in mortgages restored.

When the federal government puts its money behind Fannie and Freddie investors will be paid from the public treasury (if necessary), faith is restored; the raging waters part and lenders can cross from oppression to freedom. OK; that picture may be too dramatic.

But propping up Fannie and Freddie was a repudiation of conservative economic policies that was biblical in magnitude. Where is Charlton Heston when we need him?

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More questions after the McCain-Palin Show

By JACK COLWELL

SOUTH BEND - The Republican National Convention, affected by the winds of Gustav and a breeze from Alaska - either refreshing or chilling - now is over. Many questions remain.

Q. What was John McCain's acceptance speech



theme? **A.** McCain's call was to put country first. In asking voters to join him in a bipartisan cause for country, he did something most unusual at a Republican Convention: He criticized how some Republicans lost their way.

Q. There wasn't much applause from Republican delegates when McCain said things like: "We were elected to change Washington, and we let Washington change us." So, was that a mistake? **A.** No. McCain was speaking to the larger

and more important audience watching on TV all around the nation. Delegates don't want to admit their party brand isn't very popular and that President Bush is very unpopular. But McCain knows it and knows he will lose if he can't reach out to independents and those among Democrats who are unsure about Barack Obama.

- **Q.** Can McCain divorce himself from President Bush? **A.** He's trying. But Obama will continue to hammer at a theme that election of McCain would mean a third Bush term. While McCain made one reference to "the president," he never mentioned the name George Bush.
- **Q.** How about the surprising pick of Sarah Palin for vice president? If it was a "Hail Mary pass," did McCain connect with Palin for a win or miss everything, including his chance for president? **A.** Neither. Choosing Palin changed the dynamics. Vice presidential picks, however, are not likely to decide the election. We won't know for some time whether Palin will help or hurt McCain.
- **Q.** How could she help? **A.** She already has helped to energize the conservative base of the Republican Party. She also showed in her acceptance speech that she will live up to her nickname and be an attack barracuda, ridiculing Obama.
- **Q.** How could she hurt? **A.** Try as she may to portray mayor of Wasilla as great experience to be a heartbeat away from leader of the free world, she is short on experi-

ence for such awesome responsibilities. She can handle a moose. But could she deal with the Russian bear? If she can convince voters that she could, she will be a plus. If there is a drip, drip, drip of damaging information about her actions as mayor and governor, she will hurt.

- **Q.** Did Hurricane Gustav damage Republican chances by forcing cancellation of the first night's prime time speeches? **A.** Not much, if any. It got the convention off to a slow start, delaying the work of drawing a contrast between McCain and Obama. Speeches cancelled, however, included those of President Bush and Vice President Cheney. McCain certainly didn't need to have them identified by viewers throughout the nation as still the leaders of and spokesmen for the Republican brand.
- **Q.** How about a bump up in the polls? Did Obama get what he needed? Will McCain get what he needs? **A.** Obama did bounce up some, actually reaching 50 percent in some polls. But Obama took no commanding lead. McCain would seem likely to get a bounce back after Palin's successful speech and his own plea for patriotism and country. The polls this week will show who has momentum after the two conventions.
- **Q.** Next come the debates. Who will win? **A.** Impossible to predict. There often are surprising results, frequently having less to do with issues than with who came across as likeable or not and who came across as looking and acting more presidential. There will be three presidential debates, the first on Sept. 26,
- **Q.** When does Palin debate Joe Biden? **A.** They will have one debate, on Oct.2.
- **Q.** Won't Biden, with his decades of foreign affairs experience, make Palin look bad? **A.** Not necessarily. Expectations will be low for Palin. Biden will be described as a bully if he comes on too strong. Palin will be praised as feisty if she comes on strong. She just has to appear confident and not do or say something really stupid in order to be described as holding her own against the experienced Biden and thus winning.
- **Q.** Will the debate give Palin a chance to sway some of the women who supported Hillary Clinton? **A.** That will be a goal. While she and Clinton have far different views on issues, Palin still could sway some Hillary supporters who cared most of all about having a woman on a national ticket.
- **Q.** What can Biden do to counter that? **A.** Well, columnist Gail Collins suggested that he could say: "I know Hillary Clinton. Hillary Clinton is a friend of mine, and governor, you're no Hillary Clinton." *

Colwell has covered Indiana politics over five decades for the South Bend Tribune. He is a regular contributor to Howey Politics Indiana.



HOWEY Politics Indiana

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Why Sarah Palin and Joe Biden matter

By DAVE KITCHELL

LOGANSPORT - There's something about choosing a vice president that has made Americans view the selection process as if we're choosing someone we want to be the butt of our jokes or hold the president's coat if he decides to arm wrestle a foreign leader.

In reality, the selection process produces somebody who can satisfy both requirements, along with agreeing to



live in the official vice presidential residence on the less than glorious Naval Observatory grounds. Yes, the vice president does get a house, but not much else, other than a generous share of invitations and a few camera shots at Redskins games.

The nice thing about choosing a vice president - and there are few nice things in politics sometimes - is that people who may not have been president otherwise are thrust into the shadows of the limelight to be-

come understudies for the most important job in the world. In their own distinctly different ways at opposite ends of this great nation, Joe Biden and Sarah Palin have already provided a freshness that has put Alaska and Delaware on the map in a way neither state has never been before.

So what's the not-so-nice part? Everybody cheers for back-up quarterbacks, but nobody cheers for back-up presidents, unless you're suddenly thrust into the most difficult job in the world. And that can and has happened often.

For that reason alone, the long, expensive Campaign 2008 that has boiled down to Barack Obama and John McCain may ultimately be decided by two people who weren't on the radar when this whole campaign started. Palin and Biden have likely never met, but they'll be speaking each others names frequently over the next two months.

These people matter more than usual in this race for three reasons:

1. McCain's age. At 72, he would rival only Ronald Reagan for age at the end of an 8-year term. That fact did not escape the writing of one 80-plus journalist, Al Neuharth, the patriarch of USA Today. In a recent column, Neuharth wrote that age does matter because people McCain's age and older are more likely to experience debilitating health problems. Not that anyone wishes ill things

to McCain, but Palin could go from being mayor of a small Alaska town to president in less than four years if she's elected.

- **2. Presidential mortality.** Three of the last 11 elected presidents have chosen vice presidents who eventually finished unexpired terms Harry Truman, Lyndon Johnson and Gerald Ford.
- **3. Likelihood of nomination.** Choosing a vice president often means choosing a future party nominee. Since FDR, Truman, Johnson and Ford are on that list along with Richard Nixon, Walter Mondale and George H.W. Bush.

To be blunt, there's a lot more riding on the choices of those two people than getting McCain or Obama elected. That should make the vice presidential debate especially interesting this year, and arguably as interesting as the 1988 vice presidential debate between former Vice President Dan Quayle of Indiana and Sen. Lloyd Bentsen of Texas. The late Bentsen uttered what may be the most famous line of all in a vice presidential debate: "Senator, I knew Jack Kennedy. Jack Kennedy was a friend of mine. Senator, you're no Jack Kennedy."

Voters may indeed find after weeks of deliberation that neither Biden nor Palin is either. But when experience matters, particularly Washington and foreign policy experience, Palin can say she's lived closer to Russia than any other vice presidential candidate and Biden can say he's lived foreign policy as much as about any candidate from either party. At his age, Biden could still run for president after 8 years as the No. 2, but that's really putting the political cart ahead of the horse.

Conservative, liberal, polls up and polls down, the experience factor should matter. But it didn't for Bentsen and Michael Dukakis.

Will it this time? *

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Sylvia Smith, Fort Wayne Journal

Gazette: Within minutes of the announcement that John McCain had chosen Alaska Gov. Sarah Palin to be his running mate, I got several e-mails from fellow political junkies. They all asked some variation of: "Remind you of DQ?" DQ, of course, is Dan Quayle, and what the folks with long political memories were recalling is the similar plucked-from-nowhere choice of a youthful Quayle as George H.W. Bush's running mate in 1988. One can only hope that the similarities between the Quayle and Palin scenarios at this stage of the campaign will end with age (he

was 41; she's 44) and the surprise factor.
Quayle didn't deserve how it shook out, and I suspect Palin doesn't either. Both candidates were ill-served by the nominee who sprang his choice on the members of his party, the voters and the media in a way that inevitably led to unflattering and unfair portraits of the vice presidential candidate. Like Quayle, Palin was not well-known before the GOP candidate's

surprise announcement, so the media did its job: Tell the country who this person is. When you meet someone for the first time, everything is noticed: Your new acquaintance is fat, laughs a lot, chews with his mouth open, has really smart things to say, likes the same movies as you do. Eventually the not-so-important stuff will fade away, so you guit thinking of the jolly fat guy who has no table manners and start thinking of the fellow who has more insight than anyone else you know. "In the years since," Quayle wrote in a biography six years later, "I've sometimes wished that my name had been out there more conspicuously in those two or three weeks before the convention. If I had had some really serious scrutiny by the press, if I had taken off the snorkel and emerged above the water line, I might have avoided some of what followed." Likewise, elements of Palin's bio – the earmarking as a mayor, her actions involving her ex-brother-in-law - may or may not be clues to her character, judgment or fitness to serve. We just don't know because we have just bits and pieces of those stories. There hasn't been time for the relevant stuff to float to the top and for the meaningless distractions to fade. .

Gary Gerard, Warsaw Times-Union:

Is it just me or does anybody else think the entire political system in America is broken? Maybe it's because I'm getting older and more crotchety. Maybe it's because I'm paying more attention, I don't know. But honestly, at the end of each of these two conventions, I had to replace the needle on my B.S.-ometer. You couldn't swing a dead cat without hitting a misrepresentation, obfuscation, or outright lie. The minor speakers were the worst, but the nominees themselves did a pretty good job. It was amazing to hear Barack Obama talk about how he was right on Iraq all along and it's W who is finally coming around to Obama's way of

thinking. And the Republicans? For months they beat up on Obama's lack of experience then chose Sarah Palin, the 20-month governor of Alaska, for VP. Listening to all the GOP talking heads waffle on the issue of experience was quite enlightening. Suddenly, experience wasn't that big of a deal. Isn't that delusional thinking? And when Palin gave her amazing speech, she talked about how she stood up to lobbyists and special interests and decried those wasteful earmarks. Really? Because any third-grader with an Internet connection could see that she was the first mayor of

Wasilla, Alaska, to hire a Washington lobbyist to bring home the bacon to her hometown. And that during the 20 months she was governor, Alaska pulled in \$453 million in earmarks. And that bridge to nowhere? Well, yeah, she may have said "thanks, but no thanks" to the bridge, but Alaska still got the \$240 million allocated for it and used it for other projects. •

Stephanie Salter, Terre Haute Tribune-Star: According to what I heard,

night after night, from St. Paul, Minn., a Democrat is a person (barely) who is meant to be mocked, patronized and one-dimensionalized for a lifetime of beliefs and actions. Starting with the Democratic presidential nominee and moving all the way out to the hundreds of thousands who have embraced his call for change — we're self-deluded cartoons. To Republicans, "liberal" and "Democrat" are synonymous. Extra black box warning labels are necessary. People who have never met us should feel free to apply any and all of the following modifiers: Stupid, selfish, misguided, calculating, fake, hypocritical, angry, immoral, uncaring, godless, unpatriotic, terrorist-coddling, quiche-eating, winesipping, tree-hugging, limousine-riding and me-first/country-second. ❖

Rich James, Post-Tribune: Dear John, Is this some kind of joke or what? You're darn right I'm talking about your selection of Sarah Palin to be vice president. Isn't that special -- Gidget and the Geezer. Maybe some hard-core Republicans think it is cute -- even a stroke of political genius -- but I don't. It scares the heck out of me. What you potentially are doing to this country makes me angry. It's my understanding that you had one meeting with this woman before asking her to be your running mate. If that is the kind of research you are going to do as president, I'm really apprehensive. Further complicating the fact that you rushed into this partnership is Palin's background -her lack of qualifications to be vice president. It's my understanding that she was mayor of Wasilla -- an Alaskan town of about 9,000 people. That's kind of like being the Cedar Lake Town Council president. Given that extensive resume, the people of Alaska elected her governor 20 months ago. So she was mayor of a small town and now heads a state with fewer people than there are in Northwest Indiana. .



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Nunn says nuke threat is rising

WASHINGTON - The likelihood that terrorists will be able to target the United States with a nuclear weapon is

increasing, a former senator testified before a congressional committee Wednesday (CNN). Former Sen. Sam Nunn



says he's concerned about nuclear materials in Pakistan, citing political instability. "The risk of a nuclear weapon being used today, in my view, is growing and not receding," former U.S. Sen. Sam Nunn told the Commission on the Prevention of Weapons of Mass Destruction Proliferation and Terror, a bipartisan panel that aims to prevent terrorist attacks. The commission met in New York, just a few blocks from the site of the World Trade Center, which was devastated by terrorists on September 11, 2001. "Terrorists are clearly seeking nuclear weapons," said Nunn, who heads the Nuclear Threat Initiative. "There can be little doubt that if they acquire weapons, they will use them."

Daniels orders flags lowered for 9/11

INDIANAPOLIS - Gov. Mitch Daniels has directed that flags throughout the state and at the State House be lowered to half-staff on September 11 in honor of Patriot Day.

Rokita predicts 65% turnout

INDIANAPOLIS - The state's top election official predicted yesterday that as many as 65 percent of registered Indiana voters will go to the polls on Election Day, largely because of interest in the presidential

race (Louisville Courier-Journal). That would mark the highest turnout for a presidential election since 1992, when 74 percent voted. Secretary of State Todd Rokita also predicted the state will add at least 200,000 new or updated voter registrations by the Oct. 6 deadline. As of Saturday, 539,325 Indiana residents have newly registered to vote or updated their registrations with new addresses or other changes.

Davis discusses her cancer with Mrs. Obama

FISHERS - Discussion of Democratic presidential nominee Barack Obama's proposals on health care and insurance coverage took a personal turn Wednesday for former Lt. Gov. Kathy Davis as she revealed she has breast cancer (Fort Wayne Journal Gazette). Davis spoke about her illness during a campaign event with Obama's wife, Michelle, and said she feared that without the health care changes offered by Obama, she might not be able to find health insurance if it wasn't through her husband's job. Davis joined former Indiana first lady Judy O'Bannon and four other women from central Indiana on the stage with Michelle Obama for a discussion on topics that included college tuition costs and job losses. Davis said she believed that Republican nominee John McCain's plan to offer tax credits of \$5,000 a family to cover the cost of insurance might help some buy coverage but would be inadequate if she was trying to find coverage for herself as the operator of a small business. "Access to health care, for me now, is everything," she said. "My ability to purchase health care at all - at any price - has changed forever." Davis, 52, said she is to undergo surgery next week for the non-invasive form of cancer that had not spread. Michelle Obama said the worries Davis had about the availability of health insurance extended not only to those who encountered medical troubles but also to those who change or lose

jobs. "That's why we need a universal system that's going to be in place to catch people when they fall through those gaps," she said.

Waltz, Young want tax on services

INDIANAPOLIS - Indiana could lower its sales tax — but apply it to more services — and generate enough revenue to eliminate property taxes for homeowners, a summer study committee of lawmakers was told Wednesday (Evansville Courier & Press). The study committee investigating property tax elimination heard several hours of testimony, much of it from citizens' groups advocating property tax repeal. Lawmakers appeared more receptive to proposals offered by two of their Statehouse colleagues, however. Republican state senators Mike Young of Indianapolis and Brent Waltz of Greenwood proposed eliminating residential property taxes by broadening the sales tax. Under one plan, the state sales tax rate would be lowered from 7 percent to 5.5 percent and be applied to all services except medical and legal. Of more than 160 services, Indiana applies the sales tax to 23, including cable and satellite TV, utilities and some phone services. Under the Young and Waltz plans, people would pay a lower sales tax rate, but it would be applied to almost all other services, such as haircuts, dry cleaning and auto repairs. Under the second plan, the sales tax rate would be lowered from 7 percent to 4.5 percent and be expanded to all services, including medical and legal. Both plans would raise enough money to replace \$2.2 billion in property taxes that homeowners now pay, Young and Waltz said. House Ways and Means Chairman William Crawford, D-Indianapolis, called the plans "intriguing." Sen. Luke Kenley, R-Noblesville, the Senate's fiscal guru, questioned whether one such proposal would make good economic sense or generate the revenue needed to fund local government. Kenley