

# THE HOWEY POLITICAL REPORT



## The Weekly Briefing On Indiana Politics

The Howey Political Report is published 40 times a year by NewsLink, Inc. The Howey Political Report is an independent, non-partisan newsletter analyzing the political process in Indiana. It neither endorses candidates nor advocates positions of public policy.

**Brian A. Howey**  
editor and publisher

The Howey Political Report    Office: 317-685-0883  
200 W. Washington St., Suite M-1    Fax: 317-692-1032  
Indianapolis, IN 46204    [hwypol@iquest.net](mailto:hwypol@iquest.net)

NewsLink Home Page: <http://www.iquest.net/~hwypol/>

**Subscription information: \$250 annually for 40 editions via fax or first class mail. Call 317-685-0883.**

© 1996, The Howey Political Report. All rights reserved. Photocopying, faxing or reproducing in any form, in whole or in part, is a violation of federal law and is **strictly prohibited** without consent of the publisher.

## “QUOTE” OF THE WEEK

“Abstinence is the best policy for the upcoming session of the General Assembly...”

—Columnist Morton Marcus, on how Indiana legislators should react to the Tax Court ruling on property taxes

## Frank v Steve Show ready for the road

### Early summer gubernatorial forecast

INDIANAPOLIS - On Thursday, Stephen Goldsmith and George Witwer fly to distant media markets - Fort Wayne, Gary and Evansville - to show off their new relationship to out-state Hoosiers.

Thus, the 1996 Indiana campaign, with both Republican and Democratic tickets named, announced, nominated and briefed, has begun. Goldsmith-Witwer will do battle with Frank O'Bannon and Joe Kernan.

The last available polling before the May primary had Goldsmith with a 10-point lead over O'Bannon. But that was before the running mates, or O'Bannon's TV ad blitz that featured Gov. Evan Bayh. What that lead revealed was that Rex Early's primary assaults on Goldsmith didn't stick and that Goldsmith has used his commanding visibility in his home media market that reaches half the state nightly to augment his popularity in Indianapolis.

HPR talked to a number of political observers, all four gubernatorial and LG nominees and their campaign managers and offers this early summer assessment of what promises to be a historic battle:

■ **POLLING:** Goldsmith has not been in the field and even if the campaign had new numbers, they wouldn't share them. O'Bannon campaign manager Tom New says the Democrats have polled. "There has been a change in the numbers," New said, "and it's positive for us." However, New would not offer specifics. An educated guess is this race is within or near the standard 4 percent margin of error, favoring Goldsmith. Democrats had to hope that Early would have bloodied up Goldsmith more than he did and probably expected to be closer than they were in early May. But, O'Bannon also saw what didn't work and has time to go back to the drawing board. *Edge:* Republican.

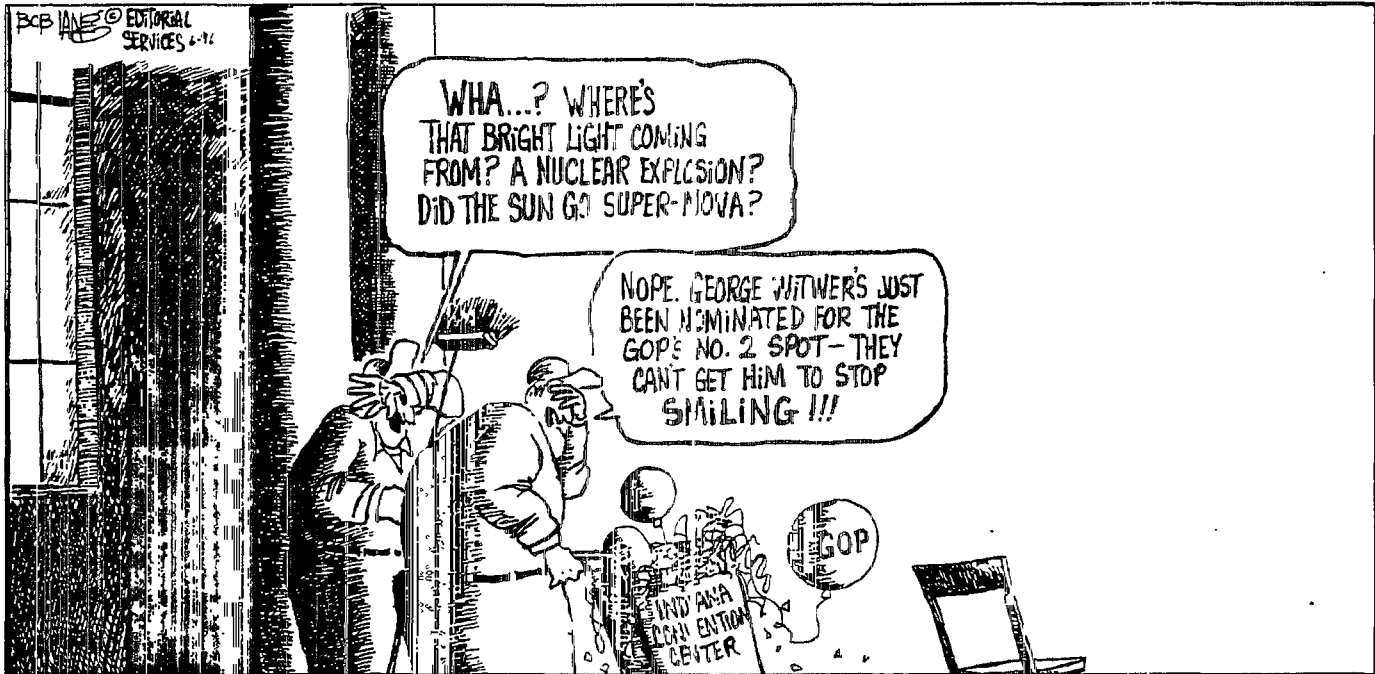
■ **THE MAIN MAN:** HPR has yet to hear a Republican not preface a comment about O'Bannon without saying he is a "nice

*continued on page 2*

## INSIDE FEATURES

- **Play of the Week: Mike McDaniel**    page 2
- **Horse Race: Congressional roundup**    page 3
- **HPR Special Report: Property taxes**    pages 4-5
- **Columnists: Colwell, Schneider, Marcus**    page 6
- **Perhaps We Wander: Dole-Lugar ticket**    page 7

*Indiana's fastest-growing source of political news*



# TICKER T A P E

**PLAY OF THE WEEK:** We'll give a belated POTW to Republican Chairman Mike McDaniel for helping to engineer Rex Early's earnest endorsement of Mayor Stephen Goldsmith, particularly since we lauded Democratic Chairman Joe Andrew for keeping his convention on time 10 days prior. Of these two situations, McDaniel's appears to be the dicier assignment of the two.

The two party's conventions were vastly different. The Democrats was locked up in advance and could be well scripted. It ended with a bigger bang, including a balloon drop and plenty of marching and demonstrating on behalf of the ticket. The Republicans

*Continued on page 3*

## Trail contrasts: Bayh, Goldsmith administrations

**From page 1**  
guy? O'Bannon does not arouse bad passions like Bayh does. So many Republicans can see a scenario for actually voting for O'Bannon if they have reason to do so.

The main theme of this race will come down to eight years of the Bayh administration against eight years of Goldsmith - four as prosecutor when crack cocaine came to Indianapolis and the other four as mayor. Goldsmith's reputation is that of a policy wonk with a binary mind and a creative way of approaching old problems. Some detractors paint Goldsmith as an unfeeling robot who shows no remorse over booting a bureaucrat in the butt

On the campaign trail, however, Goldsmith is humourous and driven, delivering his pitch in staccato fashion that bores no one. O'Bannon's speaking style meanders like the great Ohio River with a Butternut Hoosier twang that plays to crowds like a sweet mandolin. Their styles are completely different. Some believe Goldsmith would tear O'Bannon up in a debate. So the first interactive debate will be fascinating. *Edge:* Tossup.

■ **LIEUTENANT GOVERNORS:** Both Joe Kernan and George Witwer tend to reinforce the perception of their new bosses. Kernan bolsters Democratic strength in the South

Bend/Elkhart media market. He proved at the convention that he can be a rousing if not fiery public speaker. New explains, "I don't think George Witwer delivers those things to his part of the state. I believe George pulls the ticket further to the right." Yet, Witwer received hometown candidate play in the Fort Wayne media market, an area where Goldsmith lost Allen County to Rex Early in the May primary. Kernan is a war hero who will play well to his party's urban and male base. Witwer is perceived as an "ideologue" and IU pollster Brian Vargus claims that puts him on a collision course with Goldsmith, whom he describes as a "pragmatist." Witwer is better known in Republican circles due to the gubernatorial campaign than Kernan is in Democratic circles. His views are consistent with Goldsmith and he will only be able to shake the "ideologue" tag by actually engaging public policy into practice - something that can't occur unless he takes office. Being an ideologue is not a political crime unless it comes with the adjective "inflexible." Witwer's sunny personality and reputation as a hardworker will mitigate that. He is also campaign tested and while some see him as overly enthusiastic, he is not prone to misspeak. *Edge:* Democrats

*Continued on page 8*

## Checking in on Indiana's competitive Congressional races

# HORSE RACE

**TRENDLINE:** *New York Times* plays Indiana Republican convention on page 1 last Wednesday as an example of the Christian right taking over another state. Christian Coalition is smug over Witwer victory, but his ascension was much more than a religious right muscle flex.

<u>PRESIDENT</u>	<u>STATUS</u>	<u>COMMENTS</u>
Bill Clinton, D Bob Dole, R Ralph Nader, I	Tossup	The polls are all over the map. NBC-WSJ has Clinton leading 54-37. <i>New York Times</i> poll has Clinton up 54-34. In a three-way with Perot, its Clinton 51, Dole 31, Perot 13. Zogby Group Poll for Kurwaiti newspaper has Clinton up 45-39.
<u>2ND CD</u>		
Marc Carmichael, D David McIntosh, R	Leans R	Carmichael still MIA. McIntosh writes FBI's Freeh to see if White House has his files, which is a good diversion from the USAir flap. We were told that the congressman doesn't drink, except for an occasional beer at dinner. So doesn't that mean he drinks?
<u>3RD CD</u>		
Tim Roemer, D Joe Zakas, R	Tossup	Mr. Zakas goes to Washington, looking for PAC money. Roemer may dodge bullet with Bo Yeltsin's win. Now he won't have to defend his 1990 chatter about the "peace dividend."
<u>7TH CD</u>		
Bob Hellman, D Ed Pease, R	Leans R	The more HR ponders this matchup, the more time we want to spend in Western Indiana. Two nice guys. Two sound candidates. A great choice.
<u>8TH CD</u>		
John Hostettler, R Jonathon Weinzapfel, D	Tossup	Hostettler meets with environmentalists. He emerges alive, breathing.
<u>9TH CD</u>		
Lee Hamilton, D Jean Leising, R	Leans D	Leising returns from DC. Says she will be fully funded as one of top female challengers. Hamilton has to be wary of White House.

**Horse Race Key:** Safe means assured victory; Likely is outside 10 points; Leans is between 4 and 9 points; Tossup is within statistical margin of error. Status in bold/caps means a change.

# TICKER T A P E

convention was a wild card with three races in contention. HPR posed the question to Goldsmith: "Stroke of genius or disaster?" The same question was posed in the Statehouse hallway to WISH-TV's Jim Shella, who responded, "I don't see the genius." But in retrospect, Goldsmith got what he wanted: a reinvigorated party with no factions complaining about the outcome.

The two conventions were held in two different places for the first time in decades. Democrats moved their's to the Indiana State Fairground's Pepsi Coliseum. It was an excellent choice for the main show. The sound was sharp, as were the visuals on the giant screen above the dias. But the two-day event cut down on the parties that usually take place the night before. Only Butch Owen's 3rd CD party at the Keystone Crossing Radisson really radiated excitement. In contrast, the GOP event at the Indiana Convention Center generated a lot of enthusiasm the night before, but most of the action occurred on the second floor where the candidates all had booths. Those who opted for parties in suites in adjacent hotels had to be disappointed when the crowds stayed mainly at the convention center. As for the main show, the Indiana

*continued on page 5*

# Politics of the tax court ruling will make next year intriguing

## HPR Special Report

**“What will the present administration do? Will they take care of this, or will they wait? If they wait, I think we’ll have lost an awful lot....”**

**- Sen. Larry Borst**

INDIANAPOLIS - A rule of thumb for Hoosier farmers is to make \$100 off each acre of crop. Today, property tax for that acreage is in the \$10 to \$15 range annually.

But what would happen if the recent Indiana Tax Court ruling in the case of St. John versus the State Board of Tax Commissioners upped that tax burden into the \$50 per acre range?

“If you do that, you take away half their profit,” said Rep. Jeff Espich, R-Uniondale, who represents a mostly rural Northeastern Indiana district.

Those who own older homes would also be in for quite a shock if a Fair Market Value system was put into play without any buffers. Currently, the true tax value system tends to tax newer homes higher than older homes with the same price. “The big losers would be farmers and those who own older homes. It’s a much tougher issue to be fair,” Espich said.

Espich was joined by State Sen. Larry Borst, State Rep. Win Moses, Pat Kiely of the Indiana Manufacturer’s Association, and attorneys Richard Waples and Tom Atherton at the Indiana Civil Liberties Union annual luncheon on June 25 for an intriguing discussion on the recent Tax Court ruling issued by Judge Thomas G. Fisher.

Kiely talked about four characteristics of a good tax system: equal treatment, consistency, uniformity and ease of administration. Indiana’s current system “fails miserably on the last three points,” he said.

Kiely sees three looming options the by the Indiana General Assembly:

- 1.) Go to a fair market value system and “let the chips fall where they may.”
- 2.) Make everyone a winner and go for an across-the-board property tax reduction.
- 3.) Adopt a classified property tax system.

Of the first, Kiely addresses Espich’s scenario. “In the falling chips, the politics of it are bad,” said the former House Ways and Means Committee chairman. “When this gets into the

legislature, it’s 80 percent politics and 20 percent fairness.”

Indianapolis Mayor Stephen Goldsmith has already proposed removing state-mandated welfare from local property tax roles and placing it in the state’s general fund. Observers believe that Goldsmith’s opponent, Democratic Lt. Gov. Frank O’Bannon, will also urge some sort of shift away from local property taxes.

There is some speculation that part of that shift will include the state taking on more education funding. But Moses, a Fort Wayne Democrat, notes the danger in that scenario is that “local control tends to diminish.”

“The opportunity we have now is the surplus,” Moses said. “I call it extra discretionary spending. It gives whoever is governor an opportunity to revamp the system. It’s a way to eliminate the big losers.”

Moses said there is “some merit of thought” in Goldsmith’s proposal to move welfare spending off local property taxes.

Kiely called the current assessment system “a mess” because it uses 1,008 township assessors, 92 county assessors and a State Tax Board with no enforcement authority. “There is

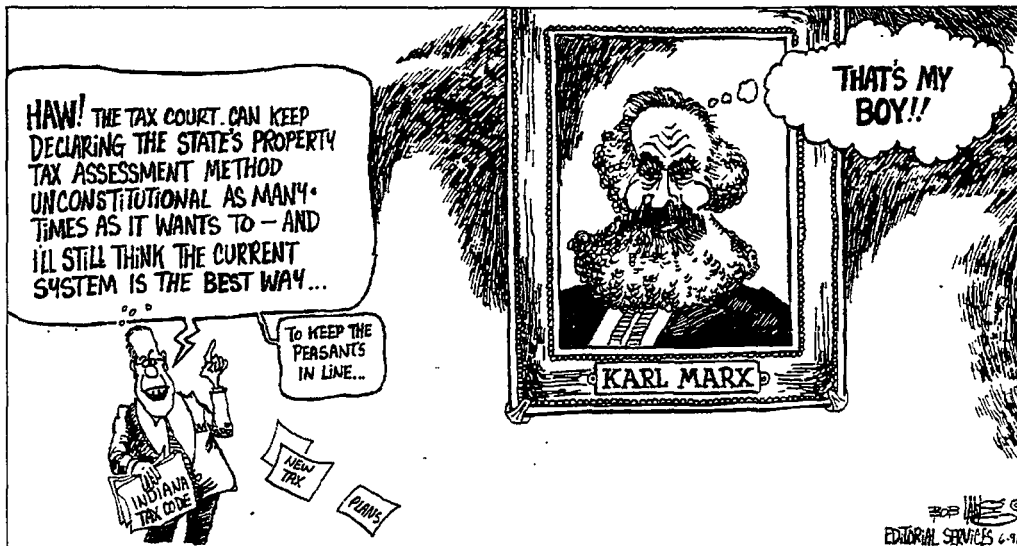
Who pays property tax now?	
Business	45.5 %
Residential	39.2 %
Farms	8.5 %
Utilities	6.7 %
Bank personal property	.2 %

no oversight, no level of expertise and no on-going procedure for uniformity,” Kiely said. “Let’s get rid of the 1,008 township assessors and switch to the county.”

Kiely added that new assessment review boards should have no county officials serving. And he urged the formatting of standardized computer software that would bring about statewide uniformity.

Borst will ultimately be the big player





when the issue confronts the Indiana General Assembly in 1997, although he urged Gov. Evan Bayh to fill the void during the last months of his term.

"What will the present administration do?" Borst asked. "Will they take care of this, or will they wait? If they wait, I think we'll have lost an awful lot."

The reason Gov. Bayh could act is that 48 states currently use the fair market value system. "You don't have to reinvent the wheel," Borst said.

**Borst said that Fisher's** ruling had "restored my faith" in the system. He added, "The present system has been perverted and someone had to bring it back."

He expects, however, that Goldsmith and O'Bannon will make it the number one issue on their fall campaign agendas.

If the issue is thrown to the legislature, the Indianapolis Republican reiterated what he said after the ruling was first issued: "change three little words" to "fair market value. That's the first thing we'll do."

**Borst acknowledged that** "the legislature will be extremely interested in who gets hurt; who's ox gets gored."

They key to any action the legislature would take is Purdue University Prof. Larry DeBoer's study on the tax system that is due out on Dec. 1. Another element is an appeal to the Indiana Supreme Court.

A new tax system must be in place by March 1, 1998. Atherton noted, "There is time to get ready."

When O'Bannon responded to

Goldsmith's hard property tax freeze last month, the Democrat called it a "shell game" and insisted that everyone would be in the dark until DeBoer's study was completed and released.

"This will be the key," Borst said of DeBoer's study.

**Borst added that** he believes the state's billion dollar surplus "can be used" to soften the political impact on farmers and some homeowners. But he suggested that any legislative process to complete the change beyond his "three little word" change would take "two or three years." He suggested that perhaps a homeowners credit would be used.

No matter what action the legislature takes, Borst predicted that another lawsuit challenging any new system is likely. Such a lawsuit could challenge Tax Incremental Financing or a homeowner's credit.

"If the legislature gives all homeowners a 40 percent break, the Chamber (of Commerce) will file the lawsuit," he said.

■ **TAX NOTES:** Fred Nation, speaking on behalf of Gov. Bayh, responded to Borst's call for action by noting that Speaker Paul Mannweiler and Senate President Pro Tem Bob Garton have asked the attorney general to appeal the ruling and that is not expected to be made until early 1997. Nation added that it was "odd" that Borst should suggest that Bayh act now since "Borst has been in power working with Republican governors and Republican legislatures and it was not until the Bayh administration that we began to gather data to institute a fair market value system."

## TICKER T A P E

Convention Center's lighting was murky, which muddled the visuals. The sound was terrible, even when the place was packed with delegates and spectators.

Senate President Pro Tem Bob Garton praised Attorney General Pam Carter for agreeing to appeal the Indiana Tax Court ruling declaring the state's tax assessment system unconstitutional. "The attorney general made the right decision and I am very pleased and thank her for it," Garton said. "It is such a significant decision that we ought to have the final answer."

Donna Gentry, the 63rd House District Republican nominee, has turned down an offer from her Democratic opponent, Dave Crooks, for free airtime on WWBL. Gentry and Indianapolis attorney John Price had complained that Crooks was misusing the three radio stations he owns for political advantage. The Washington Times-Herald reported that on May 28, Crooks personally broadcast two minutes during threatening severe weather. After Gentry and Price complained, Crooks offered her equal time. But Gentry responded, "I appreciate his offer, but since his emergency broadcast was not the main focus of my con-

*continued on page 6*

# TICKER T A P E

cerns, I am declining his offer." Gentry said she was more concerned about WWBL's morning show which she believes is used by DJ's Brad Deetz and Dave Foster to promote Crooks' candidacy. "While he is not on the air himself, one has to believe he was aware his employees were filling the airwaves with information about his run for office," Gentry said.

Independent Presidential candidate Ralph Nader will be the keynote speaker at the Citizens Action Coalition's annual banquet at 7 p.m. on June 29 at the Indiana Convention Center. Tickets are \$20 and can be ordered by calling 1-800-201-1210.

Vanderburgh County's two Democratic Commissioners, Rick Borries and Pat Tuley attacked Evansville City Purchasing Supervisor Lynn Ellis for attending a fundraiser for U.S. Rep. John Hostettler (Evansville Press). Later, Tuley acknowledged that "if anybody was supposed to call her in, it should have been the mayor.

Sally Battin Kirkpatrick's resignation as Gov. Evan Bayh's chief political fundraiser and also as vice chairwoman of the Indiana Democratic Party is another casualty to state sanc-

*continued on page 7*

## COLUMNISTS ON INDIANA

**Mary Dieter, Louisville Courier-Journal** - It took no time for George Witwer, who only six weeks ago did his best to prevent Stephen Goldsmith from becoming the Republican gubernatorial candidate, to kiss up big time to Goldsmith once the convention nominated him as Goldsmith's running mate. "Even if I had been fully funded (in his gubernatorial bid) I still think Steve Goldsmith would have won because Steve Goldsmith had actually been doing these things," Witwer said adoringly at a news conference Tuesday that followed the convention. Witwer, whose enthusiasm knows no bounds, said he and Goldsmith "see eye-to-eye" on virtually every issue. I don't know how you find 1 percent difference on the issues."

Whether they're that close is debatable. But the differences in their style and political prowess are glaring. For example, Witwer said at the news conference that some people gave him tips on what he needed to get the nomination. "People kept saying, 'Talk to this person, talk to that person,'" he recalled. "I didn't know what to say, so I just said 'Hello.'" The more sophisticated Goldsmith could only look at the ceiling in what appeared to be an aborted eye roll.

**Jack Colwell, South Bend Tribune** - Frank O'Bannon got the guy he wanted. Steve Goldsmith got the guy delegates gave him. Who got the better deal? The answer won't be clear, if it ever is, until votes are counted on Nov. 5 and election analysts try to figure out whether one or the other running mate made a difference, helping or hurting in particular areas and in the dynamics of statewide campaigning. Democratic delegates, all of them long supporting O'Bannon, were willing and wanting to support any running mate O'Bannon thought best. Republican delegates had been split in the primary, many supporting party-organization favorite Rex Early over Goldsmith. Goldsmith could have courted disaster in trying to force through a choice of a running mate. Which will be the better nominee, the initially reluctant Kernan or the always-eager Witwer, the hand-

picked Kernan or the delegate-selected Witwer, the guy counted on to bring support from the South Bend area or the one whose base of support is in the Fort Wayne area? Maybe it will be clear on Nov. 5 whether one or the other was better or whether it made any difference at all in the race for governor.

**Mary Beth Schneider, Indianapolis Star** - Marion County GOP Chairman John Sweezy called a meeting of the chairmen of the 20 large counties, who together agreed that Secretary of State Sue Anne Gilroy should be called and asked to consider running. Sweezy placed that call to Gilroy. Big mistake. If a chairman of some distant county had made the call, delegates would not have been handed the impression that Marion County was dictating the choice.

**Brian Howey, HPR** - George Witwer kept working. He came to the Republican convention as an underdog, approached the party elders at the convention and was brushed off. And he won. He defeated a front-runner who had received 902,000 votes in the 1994 election

**Morton Marcus, Indianapolis Business Journal** - Already, our political leaders have been stirring the pot of public discontent (on property tax reform). Before anyone had a chance to digest the news, those with congenital open mouth disease promised they would protect the losers, freeze something, cut taxes and jump in where they may not be needed or helpful. Abstinence is the best policy for the upcoming session of the General Assembly. Although each member might wish to be politically active on the property tax issue, those who forebear, denying their raw political urges, will do us a great service if they concentrate on moving our state to a market value assessment. If we can obtain a fair means of assessing property, if we can trust our local officials, if we can correct long-standing inequities, we will have made great progress.

# PERHAPS... WE WANDER

By Brian Howey

## A Dole-Lugar ticket makes too much sense

INDIANAPOLIS - In 1988, the surprising Republican vice presidential nominee was Dan Quayle and that year he was a disaster. Yet, George Bush won.

Four years later, Quayle ignited the family values debate - now a mainstream political phrase - and ran a competent campaign. And the ticket lost.

**The point is that a vice presidential nominee gets a lot of speculation prior to the announcement because the media is bored. And then life goes on, largely without him. The vice president travels to a lot of secondary markets like Fort Wayne, Grand Rapids and Chattanooga. The general rule is that the veep shouldn't hurt the ticket. Most veeps don't mean more than 1 or 2 points in the polls. There are exceptions, such as when LBJ helped steal Texas for Kennedy in 1960.**

Sen. Dick Lugar's name has surfaced on Bob Dole's "long list" for the 1996 ticket in Bob Woodward's new book, *"The Choice."* It is a choice that Dole should take seriously. Lugar could do the ticket no harm. And with the Midwest widely acknowledged as the premiere fall presidential battleground, Lugar would be well received in the Big Ten states.

**Lugar is pro-life**, so he would not be objectionable to the right wing of the party. Yet, most people perceive Lugar as a moderate because he avoids the firebrand rhetoric and approaches the issues with substance and dignity.

During Lugar's presidential run of 1995-96, the Indiana senator ran perhaps the best thematic campaign on the issues of national security, agriculture, gambling and taxation - all issues within grasp of presidential power. His credentials for becoming a leader in the so-called "Republican Revolution" are compelling. His 1995 agriculture bill changed 60 years of New Deal era farm policy and returned it to true market forces. But he didn't hesitate

to oppose the House freshmen when the policy shift centered on the elimination of the school lunch program.

Lugar refused to attack Dole or the other Republican contenders during the primary campaign. In the historic din of negative TV advertising, Lugar retained his integrity ... a word that has taken on renewed significance in light of the problems the Clinton White House is facing these days.

There, Lugar draws the sharpest contrast. He was the Rhodes Scholar who went to the U.S. Embassy in London to enlist for the Navy while Rhodes Scholar Clinton pondered evading the Vietnam era draft.

As a senator, Lugar has presidential level achievements. The Lugar-Nunn Act has been responsible for the elimination of nuclear weapons in the Ukraine and the systematic destruction of old Soviet warheads continues in Russia to this day. From a vice presidential platform, Lugar would be in a position to guide Russia and East Europe into a new realm.

**So if the vice presidential nominee** doesn't sway most voters, and if politically he doesn't hurt the ticket, perhaps the most compelling reason for Lugar on the ticket is for the most important reason. Dole will be 73 years old by Jan. 20, 1997 when he would take the oath of office should he win this fall - the oldest president ever to be sworn in. That makes this vice presidential choice dramatically important: "Who is best qualified to assume presidential duties?" Few Republicans or Democrats would argue that Lugar isn't qualified for the office.

It goes back to the quote last year by political analyst Charles Cook: "I can close my eyes and see Lugar as president. I just don't see how he gets there."

Inside Lugar sources tell HPR they haven't had contact with the Dole campaign over the vice presidency and still expect Gen. Colin Powell to be the first, if not elusive, choice. Perhaps Lugar is not meant to be. But as history has shown, Dole could do far worse.

## TICKER T A P E

tioned gambling in Indiana. Kirkpatrick resigned because American Consulting Engineers, Inc., a major casino contractor, paid her as a consultant. ACE was also at the center of an ethics investigation into State Rep. Sam Turpin.

On the way back from Muncie last Thursday afternoon, Democratic Chairman Joe Andrew found himself involved in a minor fender bender. After exchanging information with the older lady he had struck, the woman paused for a moment, looking Andrew over. Then she bristled, "You're the one who's always picking on my Mike McDaniel!" Ironically, McDaniel had a minor fender bender last winter with a Hoosier of Democratic bearings and was taken to task for his verbal assaults on Joe Andrew.

Diane Adams has replaced Jean Ann Harcourt as a Republican National Committeewoman.

Mary Dieter of the Louisville Courier-Journal noted that four years ago Brice Tressler touted his candidacy for state superintendent of public instruction with a button that included this word: "superintendant." This year, Rep. David Lohr's campaign for the same office released a brochure that read, "What does the media say about Indiana education?"

continued on page 8

# TICKER T A P E

Later, it discussed how "programs effect education." Dieter was obliged to write, "For your information, Rep. Lohr, 'media' is a plural noun, requiring the verb 'do,' and it's 'affect.'"

U.S. Sen. Dan Coats held a conference call with Indiana reporters to report that U.S. Rep. John Kaich has endorsed his Project for American Renewal and outlined a legislative plan for its passage in the 105th Congress.

U.S. Rep. David McIntosh has asked the FBI if his was one of the FBI background files improperly collected by the Clinton White House. McIntosh served in the Reagan and Bush administrations. "If a White House can be allowed to use the FBI to investigate its political opponents and members of Congress, no one in the country is safe from this police-state tactic," McIntosh said in a letter of FBI Director Louis Freeh on Tuesday.

Lt. Gov. Frank O'Bannon will be endorsed by the Indiana Lodge of the Fraternal Order of Police on Thursday at the Statehouse. O'Bannon was also to release a 10-point "action plan" to combat crime.

**Next HPR  
will be published  
on July 11, 1996**

## Governor, from page 2

■ **TICKET:** Both tickets have geographical balance. Modisett tends to be the lightning rod for GOP animosity. Steve Carter is the wild card, although he did well in public at the GOP convention. Ann England and Suellen Reed will be nice candidates who won't differ sharply on the issues with the edge going to Reed's incumbency. *Edge:* Tossup.

■ **MONEY:** O'Bannon had somewhere between a \$1.5 million to \$2 million advantage on Goldsmith after the May primary. But Goldsmith has a national fundraising base and has the reputation of shaking down business associates as well as Evan Bayh. Democrats acknowledge that by October, Goldsmith will probably have the edge, but say they will have enough to be "competitive." *Edge:* Tossup.

■ **ACTIVISM:** Labor promises it will be invigorated over the prevailing wage issue that took aim at 60,000 building trades workers. Republicans can respond with Christian activists and pro-life elements of the party who left the convention satisfied that Witwer was on the ticket. Both these forces can be potent. If labor reignites, it could give Democrats majority in the Indiana House and give O'Bannon a big boost in the Ohio and Wabash river valleys. Republicans can set off the Christian right with promises of change on abortion policy - at the risk of alienating the middle. Gambling would be a much greater issue for issue for the GOP as it helped Eric Miller turn out huge percentages in 1988 against the lottery referendum. But Democrats can mitigate that by attacking Goldsmith's acceptance of gambling money. *Edge:* Tossup.

■ **NATIONAL DYNAMIC:** Bill and Hillary Clinton are O'Bannon's worst nightmare and every day it inches closer to reality. Three months ago, the national trend seemed to favor Democrats in Congress and Clinton was running a perfect presidential campaign against a

moribund Bob Dole. But the emerging FBI/IRS files scandal combined with the Little Rock trials represents a severe threat to Democrats up and down the ticket. As we've learned in 1974 and 1994, if the "yuk" factor becomes too embarrassing, many regular voters will stay home. *Edge:* Republican.

■ **MEDIA:** Currently, the out-state media sees Goldsmith's Indianapolis as strictly an Indianapolis story. If that doesn't change - and most news organizations are pinching pennies these days - then O'Bannon will have to try to explain what it sees as a risky experiment gone awry via TV ads, which are suspicious to many voters looking for an unbiased approach. A classic example of this comes in Goldsmith using an erroneous report from the National Association of State Budget Officers to show that Indiana is the fastest growing state government in America. *U.S. News & World Report* retracted that story, yet Goldsmith uses that as a campaign trail staple and has yet to be called on it.

Another example of this print mentality comes with one mid-sized Hoosier newspaper that had two lieutenant governor candidates from its circulation area running in the Republican convention. Yet it didn't send its political reporter to Indianapolis to cover the event. If Democrats can't induce reporters to dig and find an unbiased way to present unbiased stories from the Goldsmith administration (the same holds true for Republicans and the Bayh administration), then that's a huge mountain for O'Bannon to climb. *Edge:* Republican.

■ **HPR'S EARLY SUMMER FORECAST:** While virtually everyone is calling this race too close to call, when you add all the dynamics in play at this point, the scenario is gloomier for O'Bannon than it was only a month ago. A combination of a blundering President and First Lady and a disinterested news media could doom the Democrats. *Edge:* Leans Republican.

**CAMPAIGN COMMUNICATIONS:** Win in November with an effective communications plan that delivers your message to targeted groups:

■ Direct mail   ■ Media kits   ■ Video presentations   ■ Internet web pages  
For a free consultation, call EH Communications at (317) 926-0204.