

THE HOWEY POLITICAL REPORT



The Weekly Briefing On Indiana Politics

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“QUOTE” OF THE WEEK

“When I see Bob Dole, I think of Darth Vader doing stand-up comedy....”

—Rod Spaw, columnist for the
Evansville Press

Gilroy re-emerges in GOP ticket drama

Big County chairs kept coming back to her

INDIANAPOLIS - Just weeks ago, Secretary of State Sue Anne Gilroy seemed to be left out of the Republican lieutenant governor mix.

On Election Night, Mayor Stephen Goldsmith said he wanted a running mate “who is not from Indianapolis,” which appeared to take Gilroy out of the picture. Then, last Friday, Goldsmith begged off the entire LG equation, saying, “I think it will be unlikely there will be a conclusion until the convention.”

That remark swatted the ball into the hands of the Republican Party’s Big County chairs, who met Tuesday at the Columbia Club. Several sources tell HPR that as the chairs discussed potential LG candidates, they were repeatedly drawn toward Gilroy, a protege of Sen. Dick Lugar. She defeated Democrat Tim Jeffers 902,100 to 542,539 in 1994. Only Lugar’s 1,039,625 votes bettered Gilroy’s first attempt at statewide office in 1994.

Midway through Tuesday’s meeting, Marion County Chairman John Sweezy contacted Gilroy and told her about the developments. “He told her, ‘No one seemed to excite anybody,’” said John Williams, Gilroy’s political director. “Sweezy said ‘her name kept coming up over and over again.’”

Sweezy asked Gilroy that if she were to be nominated, would she accept? Gilroy was deliberating Wednesday about whether to enter the race, concerned that her late entry might disrupt the party. “We were not expecting this,” Williams said. “Now it kind of looks like it will start to happen.”

As of noon Wednesday, the only candidates filing were former Huntingburg Mayor Connie Nass, State Rep. Bill Friend and State Sen. Sue Landske.

HPR has learned that there was no consensus developed by the chairs, who agreed to meet again next Monday.

continued on page 8

INSIDE FEATURES

- **Play of the Week: Joe Andrew** page 2
- **Goldsmith’s ‘Golfgate’ isn’t playing out-state** page 2
- **Horse Race: PAC money pours GOP’s way** page 3
- **HPR Interview: Mike McDaniel** pages 4-5
- **Columnists: Dieter, Cook, Rohn, Poyser** page 6
- **Campaign ‘96: Democrat convention recap** page 7



TICKER T A P E

PLAY OF THE WEEK: Indiana Democratic Chairman Joe Andrew gets the nod for orchestrating an upbeat, albeit undramatic state convention. What impressed HPR the most, however, was that he delivered his lead candidate - Frank O'Bannon - to the podium at 6 p.m., just in time for the local news.



At least two Democratic sources close to Jill Long Thompson say that the former congresswoman was offered the LG nomination but turned it down on May 31. They said that Long Thompson was approached so late in the process that she was unable to make arrangements with her current boss, U.S. Sec of

Continued on page 3

Goldsmith's 'Golfgate' emerges as page 1 Star/News story, but it isn't playing in out-state Indiana

INDIANAPOLIS - Heading into the summer campaign sequence, the biggest mayoral barnacle clinging to Stephen Goldsmith is the George Tomanovich deposition on the privatization of Indianapolis golf courses. Democrats are calling it "Golfgate."

Midway through the June 8 Democratic convention, the O'Bannon campaign dropped on each reporter a 54-page briefing packet containing *Indianapolis Star/News* stories on the subject. It followed two front-page stories in the *Star/News* late last week that reported the differences in testimony former Parks Department director Leon Younger made to then Marion County Prosecutor Jeff Modisett in 1994 and during an April 19 civil deposition. In the latest deposition, Younger said Goldsmith authorized city staff members to allow a \$605,000 bid for golf course construction, in violation of state bidding laws.

Sources tell HPR that Goldsmith is agitated about the story surfacing during the campaign. While appearing with U.S. Rep. David McIntosh and Steve Forbes on June 7, Goldsmith signaled his ire at the *Star* by handing reporter Mary Beth Schneider a note declaring an interview for her Sunday column was off.

Goldsmith fielded questions on the topic, telling the press, "Sure, it's political. It needs to be resolved."

While it surfaced with vigor in the *Star/News* - where Goldsmith has family connections in powerful editorial and board positions - the story is not playing out-state.

Jack Colwell of the *South Bend Tribune* worked the topic into his Sunday convention coverage, only because LG nominee Joe Kernan said this in his speech: "If anybody works or comes to play golf at a South Bend course, I guarantee you won't be watched, hassled, harassed or be under any kind of surveillance."

Mary Dieter of the *Louisville Courier-Journal* mentioned the golf courses in her Sunday coverage, but only in the context of Kernan describing South Bend public courses better than the privatized ones in Indianapolis.

Outside of Indianapolis in places like Fort Wayne, the story has been buried. As one Northeastern Indiana Democrat explained, "This story is barely in the conscience of everyday folks." For this story to develop into a campaign status issue, it will have to be driven by the Indianapolis media and the Democrats, most likely from Kernan and Modisett.

PAC money rolls in for Republican CD candidates

HORSE R A C E

TRENDLINE: Republican Congressional candidates are raking in the PAC money. *The Washington Post* reports while \$35 million in labor money is going to Dems, corporate donors are going 2-to-1 GOP, leaving them with twice as much cash-on-hand as they had in June

PRESIDENT

Bill Clinton,
Bob Dole,
Ralph Nader

STATUS

Leans
Clinton

COMMENTS

HR buys button at Democratic convention with Clinton's picture that reads: "Re-elect the President." Whitewater putting Clinton on defensive. Old axiom holds: "If you have to keep explaining yourself, you're in trouble."

GOVERNOR

Stephen Goldsmith,
Frank O'Bannon

TOSSUP

Goldsmith should do everything he can to get "Golfgate" (hate that name) behind him. Evasive mode and accusation of "politics" won't make story go away and leaves Nixonian/Clintonian aura. Hands off on LG could be risky if incompatible candidate emerges. Strange brew.

REPUBLICAN LIEUTENANT GOVERNOR

Sue Anne Gilroy
Sue Scholer
Sue Landske
George Witwer
Bill Friend
John Okeson
Steve Johnson
Connie Nass

LEANS GILROY

This is the darndest thing HR has seen since the Pearson/Green Massacre of '92. Goldsmith is totally hands off. Gilroy back in the mix now that all Goldsmith conditions are off. Universal short list had been Witwer, Scholer and Friend. Gilroy/Scholer would expose Dem gender flank. Witwer goes in with best delegate network, but not enough to go over top. Okeson, as parliamentarian, may look good if it gets nasty.

REPUBLICAN ATTORNEY GENERAL

Steve Carter, Eric Koch,
Greg Zoeller, Gary Secrest,
Charles Braun

TOSSUP

HR sees this as a three-way fight between Carter, Koch and Zoeller. Until today, none of the candidates could make LG alliances. That may change if Gilroy emerges as LG candidate to beat.

REPUBLICAN SUPERINTENDENT

Suellen Reed,
David Lohr

Safe Reed

Republicans don't have much of a stomach at dumping incumbents at the convention. Reed is safe, but opposition will be noisy. Bruce Smith withdraws from race and endorses Lohr.

TICKER T A P E

Agriculture Dan Glickman, about a possible return should the Indiana ticket lose and President Clinton win. The sources say that Long Thompson would have had no guaranteed income during the campaign and might end up without a job. Also, Glickman has signaled that he will not stay through a second Clinton administration, giving Long Thompson a good shot at attaining the cabinet level post. The sources say she does plan to return to Indiana to seek elective office, possibly as early as 2000 should U.S. Sen. Dick Lugar retire.

Gov. Evan Bayh reported on the progress of his twin sons, Nick and Beau: exactly 7 months old on June 8, weighing 20 pounds and 30 inches long. "They seem reasonably bright, so that means they'll be Democrats," Bayh said.

Democratic congressional candidates who attended the convention included Jonathon Weinzapfel (8th CD), Marc Carmichael (2nd), Doug Clark (5th) and Bob Hellman (7th).

Hellman told the best convention story. He mentioned Mary Burnucci, vice chair of the Vermillion County party in Clinton, Ind., who liked to work behind the scenes. She promised a young politician named Birch Bayh that she

continued on page 5

McDaniel calls GOP 'united' after weaving through primary minefield

INDIANAPOLIS - He doesn't go by the name "Switzerland" any more. "I dropped that right after the primary," chuckled Indiana Republican Chairman Mike McDaniel.

With a potentially chaotic state convention only a week away, McDaniel told HPR that he was "loving every minute" of one of the busiest weeks of his life. And then the plot thickened as HPR grilled the affable chairman on a host of issues:

HPR: Mayor Goldsmith has drawn back from an active role in naming his lieutenant governor. In doing so, is the criteria he had expressed of having someone from outside the Indianapolis metro area and all that still in place?

McDaniel: Well, you have to look at people's basic backgrounds. You want to avoid things you might regret down the road. I think it's fair to ask for basic financial information to make sure people have paid their taxes. But beyond that, if they're acceptable from that perspective then they're not going to be out there saying so-and-so is unacceptable to us unless they found something that would really knock them off that list.

HPR: Do you see the LG race as a multiple-ballot affair?

McDaniel: Oh yeah. No question about it. At least at this point with so many potential candidates in the race, I see this thing going several ballots.

HPR: Would you have preferred to see more guidance in this from Goldsmith?

McDaniel: It's one of these deals where these things kind of pick up a life of their own. After having had a very highly spirited primary there were some people out there saying, 'They better not tell us who to vote for at the convention.' And then it kind of evolved into 'I think they ought to give us a short list so we can do what they want to get done.' Then it evolved into, 'Tell us who they want.' These things have movement. Out of 2,259 delegates you're always going to have differences of opinion on how this stuff is going to be handled. Most of our people

are excited that we're this close to the convention and it's still as wide open as it is.

HPR: The Big County Chairs met Tuesday at the Columbia Club. What can you tell me about their meeting?

McDaniel: They invited me to come by for lunch, which is the tradition for these things. They asked me to give them a walk through and I told them how it was going to fit together. And then they said they haven't come to any conclusions, but do you want us to tell you what we've talked about. I said that since they hadn't come to any conclusions, no sense going through all of that. So I just left after lunch. That's as much as I know about it.

HPR: Now that all of Goldsmith's conditions for a candidacy are off it appears to us that Secretary of State Sue Anne Gilroy is back in the mix.

McDaniel: Sue Anne Gilroy is very popular with a lot of people in our party as secretary of state and in the fantastic way she conducted herself in her '94 campaign. That's part of the reason we have 2,259 delegates based on her vote for secretary of state. Almost every county in the state had an increase in delegates because of the successful campaign that she won. Clearly she is a popular person. There are some people who are concerned about the geography of the situation. She is originally from Crawfordsville, but still Central Indiana and that kind of stuff. But her name has been popping up all along. She hasn't been out there campaigning because she's in the middle of her term as secretary of state. But her name has been popping up all along in meetings. People would say, 'Sue Anne would be a great candidate for lieutenant governor.' I'm not surprised people would be out there talking about her now.

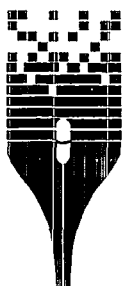
HPR: Does geography worry you?

McDaniel: No. I basically don't believe that most people go into a voting booth on Election Day and say, 'I'm not voting for them' because nobody is there from whatever part of the state they're from. When it gets down to it, they're most likely to vote for Steve Goldsmith

HPR INTERVIEW

"No question about it. At least at this point with so many potential candidates in the race, I see this thing going several ballots...."

- Mike McDaniel



or Frank O'Bannon for governor because they're the ones who will get a lot of the attention. I don't lay a lot of emphasis on that. Now if you can bring someone to your ticket who brings a geographical area to your ticket, that helps sometimes. But those instances are few and far between.

HPR: How does gender play into the equation of Republicans at this point?

McDaniel: I don't know that is a major consideration at this point. I mean we have led the State of Indiana in putting women in major elective offices. We have three major office holders right now who are women. We have always been a leader in that area and will continue to be. We have an incumbent woman who is on the ticket now, Dr. Suellen Reed who is trying to be re-elected at the convention. I think the chances are good. We also have several women who are running for lieutenant governor. The filing deadline is at 10 a.m. Saturday.

HPR: It's my understanding that all of the offices will be voted on at the same time during the convention. How will that work?

McDaniel: The way that works is all candidates will be nominated and seconded. All candidates will be given their five minutes of whatever they want to do, either a floor demonstration or a video or some combination. Then we go vote. If there is no clear cut winner - you have to have a majority of those voting - on the first ballot, we go to a second ballot. And if there's no clear cut winner after the second ballot, then we start dropping the low vote getter from the list. You keep doing it until someone gets a clear majority of those who are voting. In the superintendents race, there may be only two people on the ballot. If that's the case, there will be a winner on the first ballot. In the other races, if we end up with five for AG and five, six or more for LG, then it might go four or five ballots.

HPR: Are you worried about the competitiveness?

McDaniel: I'm not worried about the competitiveness as much because I think our people are excited that we're going to have an open convention. When I had a candidates meeting yesterday, I told them I expected everyone to conduct themselves well and treat each other with respect because it's important

that we come out of this united and they all agreed to that. These are not the kind of people who will stab each other in the back. That's not what these folks are all about. So I look for it to be a very highly contested, but mannerly approach to this thing. If we conduct ourselves that way and it's all clean, we'll come out of this well. Everybody says they don't want another 1992. What a fiasco that was.

HPR: I've heard many complaints that candidates only get two minutes to address the district caucuses and no chance to take the floor. Why is that?

McDaniel: It's no different than the national convention. Your candidate for president doesn't get a speech until that person's nominated. It's a little archaic, quite frankly. There are a lot of rules we inherited. As soon as this convention is over I'm going to put a committee together to change a lot of things from top to bottom to make it more reasonable for today's communications.

HPR: You've really steered your way through a mine field this year.

McDaniel: When I ran, one of the questions they asked all of us is will you be neutral in the governor's race. When I answered yes, I meant it. I have gone way out of my way to play it that way. I had some people who on occasion said 'You're too close to the other guy.' But I had both Goldsmith and Early people say that to me at one time or another. I got along with both sides most of the time and on a personal level I felt good about that. On a party level, people in our party want to win. The vast majority of them will be united.

HPR: Have Goldsmith and Early talked?

McDaniel: Yes, I understand that they have. I think Rex wants to be very supportive and I hope that support will manifest itself somewhere along the way at the convention.

HPR: Has the party been bled white moneywise with the governor's race, Lugar's presidential run and all the other races?

McDaniel: It's tough. It probably has more effect on the state committees than individual candidates. Steve can raise money. So even though we've had spirited primaries, we're going to raise the money we need.

TICKER T A P E

would carry her precinct for him in his first House race back in the 1950s. She did, giving Bayh just enough votes to win. "She didn't know that he would become speaker of the House, go on to the Senate in '62 to help pass Medicaid and civil rights legislation, or have a son who would become governor." Hellman added that in a year where "Republicans are offering the vision of Bob Dole and the integrity of Alphonse D'Amato, "This is the year we reach a little deeper."

State Rep. Barb Engle addressed the Democratic convention twice, saying the first time, "The Democratic Party is my home." She switched from the Republicans in 1995 and will face a stiff challenge from Adams County Commissioner Mike Ripley this fall.

The Indiana Democratic Editorial Association will have its annual convention July 18-19 at the French Lick Springs Resort.

There is one pol who worked the new motor voter law to his advantage. Elkhart Mayor James Perron won his fourth term with a 146-vote victory last fall over Republican Carol McDowell. Perron said his campaign used new provisions in Motor Voter to register and accept absentee ballots on the

continued on page 6

TICKER T A P E

city's predominantly black south central area. The campaign, aware that Elkhart County offices are all Republican, waited until the absentee ballot deadline day to turn in the hundreds of new absentee voters.

The war of words this week in the Bloody 8th CD comes over Medicare. U.S. Rep. John Hostettler had a press conference last Friday in which he said Republicans offered a plan to preserve and protect Medicare but President Clinton vetoed it. Democrat Jonathon Weinzapfel responded by saying Hostettler and GOP Congressional leaders threw "up one roadblock after another" to block a compromise. He cited a plan offered by Florida U.S. Rep. Sam Gibbons that would have extended the program's solvency through 2006. Hostettler said that plan would only have solved the problems for a few years (Roberta Heiman, *Evansville Courier*).

Mayor Stephen Goldsmith's hard freeze on property taxes came with an explanation that "We're saying to government: live within your means." But the *Evansville Courier* quoted *Evansville-Vanderburgh School Corp.* Supt. Phillip Schoffstall as saying a freeze would be

continued on page 7

COLUMNISTS ON INDIANA

Mary Dieter, *Louisville Courier-Journal* - When O'Bannon made his choice of South Bend Mayor Joe Kernan as his running mate, this had to compete with other important local news from Southern Indiana and Louisville. (It was not a big day for international and national news.) But the O'Bannon story also had to compete with another story that came out of Indianapolis that day - and it was competition that never should have happened. The announcement about Kernan lost out to a story about refund checks going out to Hoosiers who had paid their automobile excise taxes before a tax cut took effect. That story took the top of Page One Tuesday morning and, as a matter of news judgment, rightfully so. Gov. Evan Bayh chose Monday to announce that the refund checks were starting to go out. It's a process that will take about a month, and it was a news conference that could have waited a day. But Bayh, ever concerned about his own image, apparently couldn't wait, and he upstaged the man whom he says he wants to succeed him.

Jim Poyser, *Nuvo* - I'm worried about the president. I'm afraid he needs to get a second job, and I don't think that's good for the country. The Clintons, whose net worth prior to the presidency was a mere \$700,000 - chicken feed in the land of litigation - are in grave danger of going bankrupt. The Whitewater investigation and Paula Jones' sexual harrasment charge are creating godzillian legal fees for the First Family. Authorities point out that if the lawyers involved were not temporarily waiving payment, and if the Legal Defense Fund established by the Clintons hadn't netted some \$800,000, the First Family would be officially bankrupt. As it is, the Clintons are in a pecunial pickle. No matter what camp you align with, this fact should be disturbing. Because whether you like Clinton or not, you don't want him fretting about money. Think of the problems. You want him to cut back on lavishing visiting dignitaries? You want him to drive that big ol' car himself?

Charles E. Cook, *Roll Call* - Americans who could elaborate at length as to the technique of DNA testing on bloody gloves could hardly tell you who David Hale is. The ranks of Whitewater aficionados have seldom included anyone who isn't a conservative, a Republican, or a semi-professional conspiracy theorist. My hunch is that, in terms of the 1996 campaign, Whitewater is not likely to go much further than it has. Nothing short of an indictment of the President or First Lady is likely to grab the swing voters by the throat and command their attention to this rather complicated and convoluted scandal.

Rod Spaw, *Evansville Press* - Speaking of Bob Dole, he's got to have that pastey grin of his plastered from ear to ear these days. Let's see. What's the latest news on his rival for the presidency? Oh, yes. Bill Clinton's former business associates in Arkansas have been convicted as thieves and con artists. That fits nicely with other photos in the Clinton album: a brother who is a convicted drug dealer; a mother who spent much of her last years at a dog track; a wife who made more from a one-time commodities investment than anyone in recorded history ... if you can believe her records ... when she can find them. Still, all of that is unlikely to be of much help to Dole, who has all the appeal of a clogged drain pipe. When I see Bob Dole, I think of Darth Vader doing stand-up comedy.

David Rohn, *Indianapolis News* - Last week Mmoja Ajaba ... (was) charged with criminal recklessness ... with an unsuccessful attempt to set an American flag ablaze on Monument Circle during the Olympic Torch ceremonies. I am loath of refer to Ajabu as a black leader. Anyone who finished fourth behind Julia Carson, Ann Delaney and Jocelyn Tandy Adande while receiving only 1,610 votes in the 10th CD primary can't be said to have too much of a following - even in the black community.

Combative Democrats center convention themes on 'Small Town' and the goodness of government

INDIANAPOLIS - One word to describe Indiana Democrats after their June 8 convention?

Try "combative."

In caucus after caucus, the parade of Democratic personalities - Evan Bayh, Frank O'Bannon, Jeff Modisett and Ann England - worked to invigorate delegates who were faced with an uncontested ticket.

"If you pull out all the stops, I'll be your next governor," O'Bannon told the 7th CD caucus. "This could be one of the closest elections. And the Republicans want and will work to do almost anything to get it done."

Modisett joked to 3rd CD Democrats of O'Bannon's cause: "Remember, vote for him twice."

Bayh, in his nominating speech of O'Bannon, told delegates that his twin sons, Nick and Beau, had a lot in common with Newt Gingrich. As Susan Bayh frowned at his side, the governor continued, "You see, they cry a lot. They pass a lot of you-know-what, and between now and November they are definitely going to need changing."

But it was South Bend Mayor Joe Kernan who emerged with the sharpest sword. When he was nominated, there were suggestions that he might be the campaign's point-man on the Democrat's attacks on Mayor Stephen Goldsmith's privatization legacy in Indianapolis. Kernan left little doubt in a fiery acceptance speech that he would be comparing South Bend to Indianapolis.

Kernan mentioned that South Bend provides municipal water and garbage pickup, compared to those services privatized in Indy, at a cost of \$200 less annually. "I don't know about your town, but in South Bend \$200 is a lot of money."

Kernan called Goldsmith's hard freeze on property taxes "a recipe for disaster." He said Goldsmith's mantra-like reliance on privatization shows a "lack of faith in people." And he closed his speech by saying the election "is a matter of trust. Who do you trust?"

O'Bannon, who entered the hall to the tune of John Mellencamp's "Small Town" and a video collage of his roots in Corydon, underscored the wide choice Hoosiers face and openly acknowledged by Goldsmith.

"Simply put, Indiana is at a crossroads," O'Bannon intoned with his soft, Butternut Hoosier drawl. "As I see it, we can either take the road that keeps moving the state forward, or we can take a turn that risks all the progress

1996 we've made over the last eight years. We continue the journey, or we take a dangerous

WATCH detour." Later, O'Bannon termed the matchup as a choice of "government as a public trust, or government as a public trough."

Perhaps the biggest articulation of the vast divide between Goldsmith and O'Bannon came from Chuck Deppert of the AFL-CIO. He began by reciting a litany of conservative phrases: "Government is bad" and "run government like a business."

He told delegates that in the first 150 years of the union, "It was survival of the fittest." During the Great Depression, Deppert said, "It was government that saved my family. If it wasn't for government, my family and my neighbors would have starved to death."

Deppert added that prior to Medicaid/Medicare in 1965, "A lot of people are forgetting what life was like before government stepped in to help the people."

Citing OSHA and public schools, Deppert added, "If we fall into privatization, we Democrats will pay an unbearable price."

CONVENTION NOTE: 3rd CD Chair Butch Morgan might have saved the day for Kernan's floor demonstration. Just minutes before Kernan's name was placed in nomination by Jill Long Thompson, a campaign aide showed up holding a Kinko's bag filled with quickly printed Kernan placards.

TICKER T A P E

OK, "But there would have to be some kind of vehicle to meet expenses that keep going up and we have very little or no control over."

Nuvo Newsweekly reported that on a recent trip to New York City, Mayor Goldsmith's campaign paid more than \$6,000 for the rental of a limousine. The trip was a fundraising event.

Lt. Gov. Frank O'Bannon announced mortgage tax credits available on June 17 for first-time homebuyers.

HPR Publisher Brian Howey spoke to the Indiana Banker's Association annual convention along with Mayor Goldsmith and Tom New, campaign manager for Frank O'Bannon. Goldsmith used the opportunity to talk about his property tax freeze and moving welfare into the general fund. New highlighted job creation in Indiana and indicators such as more people are moving into the state than leaving. Howey said that Hoosiers voters "are going to have the sharpest contrast between O'Bannon and Goldsmith than at any other time since the Civil War."

House Speaker Paul Mannweiler and Senate President Bob Garton will assemble a 16-person, bi-parti-

continued on page 8

TICKER T A P E

san committee to monitor the State Board of Tax Commissioner's on-going market value study and develop recommendations for the 1997 legislative session.

U.S. Sen. Dick Lugar spoke on the Senate floor Monday calling for the admission of new Eastern European democracies to be admitted into NATO. "The best way to ensure that the United States must never fight a war again over Eastern Europe is to anchor and integrate Eastern Europe into the West once and for all."

U.S. Sen. Dan Coats said that Medical Savings Accounts will be included in a health care reform bill. "This is terrific news," Coats said. "MSAs deserve to become the law of the land because they represent a common-sensical, sound policy for health care."

Kevin Brinegar of the Indiana Chamber of Commerce tells HPR that Govs. Bayh, Orr and Bowen will be honorary co-chairs of a committee backing ballot Question No. 2 in November, which, if passed, would allow Indiana pension funds to invest in equities. Holding a Fram oil filter as he addressed the Indiana Bankers Association, Brinegar said passage would allow more investment opportunities. "You can pay me now, or pay me later," he said of taxpayers and the lack of current investment.

Gilroy, from page 1

LG candidates have until 10 a.m. Saturday to file a \$6,500 fee to officially enter the race. Until Tuesday, the widely rumored "short list" appeared to include George Witwer of Bluffton, State Rep. Sue Scholer of West Lafayette, and State Rep. Bill Friend of Macy.

Witwer is believed to have the widest network of party support going in, having developed that during his two years campaigning for governor and on behalf of the Opportunity Project of Indiana. He released campaign letterhead last week that included endorsements of a number of county chairs - most from smaller counties - as well as former Gov. Otis Bowen, GOP National Committeeman Bob Hiler, U.S. Reps. Mark Souder and David McIntosh.

Scholer is seen as the candidate who would extend Goldsmith's solid conservative base toward the center, where she stands pro-choice on the abortion issue. Friend, long rumored as having received a favorable nod from Goldsmith insiders, is seen as giving the ticket a sound rural footing consistent with duties dealing with agriculture and commerce.

Said one observer running for another statewide office, "Of all the LG candidates, none of them except for George Witwer have a devoted-to-the-mat following." In the Witwer bloc, the numbers appear to include 300 to 400 pro-life activists and another 200 anti-Goals 2000 delegates.

Said another influential GOP observer, "None of the current LG candidates is seen as white hot."

That may change with Gilroy, who has been seen as a rising star in the party, hampered only by geography. She currently resides in Indianapolis, although she originally hails from Crawfordsville. Her most immediate problem is there is no active organization in place to push her candidacy, unlike Friend, who has an office in Indianapolis, or Scholer who has a campaign manager and media consultant in place.

Still, Gilroy's strengths include her solid 1994 showing, a strong, warm relationship with the Lugar political apparatus, and the potential

to appeal to both Goldsmith and Early factions of the party.

Despite her late potential entry, GOP Chairman Mike McDaniel predicted in the HPR Interview (pages 4-5) that the LG race would probably be a multiple ballot affair, unless Gilroy's candidacy kept some other contenders from filing.

A number of Republicans believe that Democrats shored up South Bend when they nominated Mayor Joe Kernan. That left Fort Wayne and Northeast Indiana as a potential battleground that might favor candidates like Sen. Wyss, Clerk of Court Okeson and Witwer. The flaw with Witwer in that scenario is that he did not fare well in the Northeast in the gubernatorial primary.

Okeson told HPR that he would not file as a candidate, but might be available if the LG race became deadlocked after multiple ballots.

ATTORNEY GENERAL UPDATE: The other race headed for multiple ballots is attorney general, where a real dog fight has emerged between Eric Koch, Greg Zoeller and Steve Carter.

Zoeller believes that Modisett's rise to the Democratic ticket helped him because of a perception that he and his Quayle-background was enough to take on a heavy hitter such as the former Marion County prosecutor. Zoeller also pointed to his statewide campaign organization with support from former GOP chairs Keith Luse, Gordon Durnil, National Committeeman Don Cox and much of the Quayle apparatus.

Carter offers endorsements of John Mutz, Bob Garton, Pat Rooney, J. Roberts Dailey and Bowen as signals of his support. He has driven 40,000 miles in the last five months attempting to meet as many delegates face-to-face as possible. "We're still trying to win on the first ballot," Carter told HPR on Tuesday.

Koch said he is also trying to pursue a "first ballot strategy" but said that may be hampered by the fact that none of the candidates have been able to find a natural alliance with the LG field so muddled. "That creates the possibility of multiple ballots," said Koch, who has the endorsement of the 7th and 8th CD party organizations and 32 county chairs.