

THE HOWEY POLITICAL REPORT



The Weekly Briefing On Indiana Politics

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“QUOTE” OF THE WEEK

“It’s being awfully presumptuous....”
-Kip Tew, Marion County Democratic chairman, on talk of whether John Mutz, Toby McClamroch or Murray Clark will succeed Goldsmith as mayor should he defeat Frank O’Bannon on Nov. 5, in the *Indianapolis Star*.

Speeches, tax plans fuel governor’s race

Goldsmith-O’Bannon outcome hinges on taxes

INDIANAPOLIS - “Let’s give our kids the best shot ... and make our schools safe again,” Frank O’Bannon drawled before shooting a turn-around jumper from about 7 feet out on the basketball court at St. Thomas School.

How many times did O’Bannon have to shoot the jumper? “The problem wasn’t hitting the shot,” said campaign manager Tom New. “It was getting it within 30 seconds. We filmed that last spring and it was a late night.”

In the **Indiana gubernatorial** campaign that all polls shows Mayor Stephen Goldsmith with a 6 to 9 point lead (See Horse Race, page 3), the O’Bannon and Goldsmith campaigns are on different offenses. Goldsmith went for the three-pointer in San Diego at the Republican National Convention with two speeches.

It earned him some impressive clips in David Broder’s Washington Post column on Aug. 14 and in the Aug. 19 edition of *Time* magazine under a story titled “Rising Republicans.” The *New York Times* carried a Goldsmith photo. But his Thursday night Republican National Convention speech was carried nationally only by C-Span, with the major networks ignoring it. Local TV coverage was perfunctory on the speech, with Dole and Kemp getting much more attention. And Mary Beth Schneider’s coverage in the *Indianapolis Star* centered around the fact that the word on Goldsmith “hasn’t filtered down to the rank and file.”

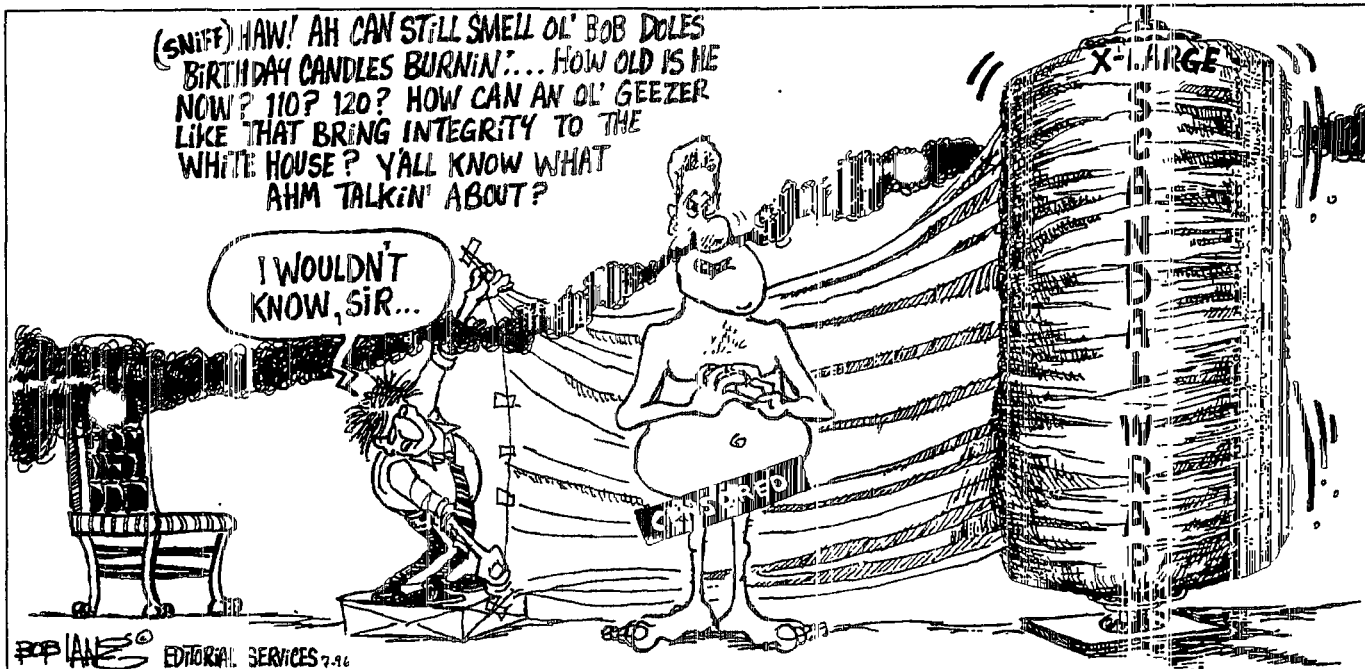
Two WPTA-TV polls in Fort Wayne on Aug. 11 and Aug. 18 (673 registered in the 4th CD, 3.7 +/-) after the convention saw the Goldsmith lead actually shrink by a point, from 35-28 percent to 35-29 percent.

Yet the Goldsmith campaign was pleased with the overall exposure. “It exceeded expectations,” said John Hatfield, Goldsmith’s spokesman. “The best thing about the week was Steve Goldsmith was featured in a significant Thursday role with Kemp on the ticket

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



TICKER T A P E

PLAY OF THE WEEK: Despite all the glorious GOP convention stuff, we have to honor House Minority Leader John Gregg, who pulled a man from a burning car on State Road 67 near Marco last week and then snuffed the flames on the victim's burning clothes. HPR sees Gregg as a potential Speaker of the House, possibly in three months, and as a rising star in the post Bayh-O'Bannon era. This will be a story that will be part of his building legend.

Gregg wasn't the only politician who found himself engulfed in flames last week. Knox County Prosecutor Brad Catt was found in a burning car near Bloomington last Thursday after he had disap-

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Collection of polls show Dole's convention bounce

Last May, Indiana Democratic Chairman Joe Andrew fretted about sequence. His state convention came first, forcing Frank O'Bannon to lay his running mate card out first.

Any advantage the Republicans had from this sequence was ceded when Mayor Stephen Goldsmith was not decisive on the selection of his ticket.

Now come the national conventions, with the Republicans coming first, getting the Dole-Kemp "bounce" in the polls, only to be followed by the presumptive Democratic love-in next week in Chicago. This is bad news for Republicans, because any bump they received in the polls will likely be erased.

What about those polls? Here is what we've been able to collect so far on the presidential race following the convention:

WPTA-TV (4th CD only), Aug. 16-18
Dole 43, Clinton 34, Others 6

Politics Now/ICR (Aug. 14-18)
Clinton 46, Dole 38, Perot 10

ABC Tracking (Aug. 15-18)
Clinton 44, Dole 40, Perot 11

CNN/USA Today/GaLup (Aug. 16-18)
Clinton 48, Dole 41, Perot 7

CBS/New York Times (Aug. 16-18)
Clinton 49, Dole 37, Perot 8

This table from Politics Now looks at the different ranges of poll percentages from the first 10 days in August through last weekend. From this table, it reveals that Dole's bounce has been between 13 and 16 points.

| Candidate | Aug. 1-10 | Aug. 14-18 |
|-----------|-----------|------------|
| Clinton | 47-58 | 44-49 |
| Dole | 27-34 | 37-41 |
| Perot | 12-18 | 7-11 |

The real intriguing impact of the Democratic convention on Indiana will come on Aug. 28 when President Clinton arrives in Michigan City by rail. He will address a predicted 100,000 people at Washington Park before departing for Chicago via yacht.

Indiana Democrats - including Gov. Bayh and Lt. Gov. O'Bannon - will rally at Gary City Hall at 11:45 a.m., then take a bus caravan to Michigan City to greet the president.

This event will get intense national, state and local press coverage, with Bayh and O'Bannon extremely conspicuous, and that will be good news for Hoosier Democrats.

Clinton rail, boat trip blazes trail through Hoosier state again

HORSE RACE

TRENDLINE: The '92 Clinton-Gore bus trip wound its way along I-64 in Southern Indiana and helped stake the ticket to an insurmountable lead. This time the President shoves off from Michigan City to his Chicago coronation, which could mark this ticket's rebound.

PRESIDENT

| | | |
|---|---------|---|
| Bill Clinton, D Bob Dole, Rep Ralph Nader, I Ross Perot, Ref | Leans D | Dole slams door on right and yet everyone is happy. Best convention possible. Problem is, the Democratic bump begins in Michigan City and ends in Chicago next week. And, what's that giant sucking sound coming from Valley Forge? |
|---|---------|---|

GOVERNOR

| | | |
|--|---------|--|
| Stephen Goldsmith, R Frank O'Bannon, D Steve Dillon, L | Leans R | Two WPTA-TV polls taken in the 4th CD Aug. 11 and Aug. 18 reflect Mason-Dixon and Vargus findings. Goldsmith led O'Bannon 35-28 percent with 24 percent undecided prior to GOP convention. After convention, Goldsmith's lead was 35-29 percent with 32 percent undecided. |
|--|---------|--|

4TH CD

| | | |
|-------------------------------------|--------|--|
| Mark Souder, R Jerry Houseman, D | Safe R | WPTA-TV polls gave Souder 44-22 percent lead prior to convention, and 40-26 percent after. Souder has huge fundraising edge, has refused to debate the Libertarian. Souder would have to tell a series of bad Kentucky jokes to lose this. |
|-------------------------------------|--------|--|

3RD CD

| | | |
|-------------------------------|---------|--|
| Joe Zakas, R Tim Roemer, D | Leans D | Dole rebound could help Zakas campaign liftoff. District has big GOP presidential vote. Dick Armev coming in to raise money. But Dem sources tell HPR that Roemer's polling gives him a big lead. The worry is that Roemer supporters will get complacent. |
|-------------------------------|---------|--|

10TH CD

| | | |
|---|--------|--|
| Virginia Blankenbaker, R Julia Carson, D | Tossup | Vargus poll gives Blankenbaker a 20-point lead, but HPR doesn't believe it. Black vote probably under-sampled. Our suspicions are that this is neck-and-neck and will go down to the wire. |
|---|--------|--|

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 TAPE

peared amidst allegations that he had bounced a check for \$70,000. The FBI and the Indiana Supreme Court Disciplinary Commission are investigating more than \$500,000 in improper financial transactions over the past three years. Catt had announced he would not seek re-election in 1998.

State Rep. Rick McConnell's prognosis for a malignant brain tumor is good. McConnell discovered the tumor after he blacked out for several hours after mowing his lawn on July 12. The "fast-growing glioma" could have been fatal had it not been discovered at an early stage. McConnell told Doug Sword of the Evansville Courier, "The reason I'm feeling so good is because the surgery occurred before I got sick. We'll do whatever we got to do here and get it whipped."

Gov. Evan Bayh's keynote address is just the first of what appears to be many campaign trail activities in the coming weeks. On Sept. 7, Bayh will appear at a reception in Shelbyville for 42nd District Senate candidate J.D. Lux. On Sept. 10, Bayh will campaign in Evansville on behalf of 8th CD candidate Jonathon Weinzapfel.

Bayh has been swamped with
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Goldsmith expects race to tighten; says O'Bannon misses the tax point

HPR INTERVIEW

"Frank doesn't control the growth of government. Even in years of decline, they could still raise their rates. He doesn't address schools at all, which is a Mack truck size hole...."
- Stephen Goldsmith



INDIANAPOLIS - Mayor Stephen Goldsmith's voice was hoarse Tuesday morning when he engaged HPR in this phone interview.

Little wonder, for Goldsmith gave two speeches before the Republican National Convention and was annointed a party "rising star" by Time magazine and the Washington Post. But he came home to find his lead over Lt. Gov. Frank O'Bannon slipping, the Democrat on the air with TV ads and a looming bump from the Democratic Convention and Gov. Evan Bayh's keynote address.

HPR: Did you accomplish what you wanted to with your speeches before the Republican convention last week?

Goldsmith: I think so. I wanted to highlight how our small government experience can produce more opportunity and Monday night's presentation was more oriented toward local control - government closest to the people. Thursday night, it was how reducing the size of government can bring about economic diversity.

HPR: What kind of relationship have you had with Jack Kemp in the past? And are you pleased with his selection as vice president?

Goldsmith: I've known Jack Kemp for some time. I appreciate and follow his philosophy. I consider him a friend and his selection to the ticket emphasizes the right message of hope and opportunity, optimism and concern about cities, low taxes. All the right things.

HPR: When Jack Kemp served in the Bush administration, he seemed to be the guy who marched to the beat of his own drummer on urban affairs. Do you get the sense that he will be more in tune to a President Dole on issues near and dear to your heart?

Goldsmith: You could reasonably project that Jack Kemp would be the face of the administration on those issues. There was some lack of direction in later years of the Bush administration on city issues. Jack Kemp was a separate voice. But I would anticipate his message would make him a leading connection to urban communities as well in a Dole administration.

HPR: We've seen three recent polls that show that in your race, your lead is anywhere

from 6 to 9 points. Does that surprise you? Is that where you want to be at this point?

Goldsmith: I'm pleased to be 6 to 9 points ahead. I think that's a nice place to be. I expect the campaign will get closer. John Mutz in 1988 was substantially behind at this point. So, yeah, I think it's constructive. It will get closer, but I don't know when. Obviously Frank is on TV and I'm not, so it should get closer.

HPR: There was concern prior to the Kemp selection that Dole might drag the Republican slate down. Have those concerns been alleviated?

Goldsmith: Hoosier voters for governor are a pretty independent lot anyway. I'm not sure what the total effect of the presidential campaign will be. I think the sense of malaise in the Republican Party two weeks before the convention clearly has gone away. I think the national Republican ticket in Indiana will have a slight and positive effect. Not dramatic anyway.

HPR: We've seen O'Bannon go up on TV, yet Anne Shane and John Hatfield from your campaign tell us you have no plans to go on yourself. Won't you risk your lead slipping further?

Goldsmith: Sure. Yeah it will.

HPR: You tend to go for the more concentrated TV buys later in the campaign sequence...

Goldsmith: Well, Frank came out of the primary with a \$1.5 million advantage and pretty intense outside support. We're just trying to be careful how we run the campaign. We haven't made any decisions yet.

HPR: Let's talk taxes. John Hatfield is calling O'Bannon's billion dollar tax cut one of the defining moments in the campaign. I'm assuming you agree with that statement and, if so, tell me why?

Goldsmith: If anybody would take the time to analyze these two tax plans they would see enormous differences which represent the philosophies of the two campaigns. Mine would cap the growth of government, not just taxes. It would require every government institution to live on its own growth; not be able to raise

rates. So we'll freeze taxes, subject to referendum ... and take the welfare rate off the property tax rate, transfer it to a state obligation and lower the taxes by that amount. Frank doesn't control the growth of government. Even in years of decline, they could still raise their rates. He doesn't address schools at all, which is a Mack truck size hole. I mean, schools are property taxes and I think that represents the ISTA position.

HPR: I asked Tom New about that yesterday and he said they decided to exempt school taxes because they are tied to current parameters and would cause more problems than they solved.

Goldsmith: That's ridiculous! I mean, we're not going to cap the growth in property tax rates because it's too difficult to rethink the school distribution formula? That almost stands on its own as an answer.

HPR: And he follows up by saying that O'Bannon is only making a first step and that this is an effort to return a significant portion of the surplus to taxpayers.

Goldsmith: First of all, it's not a significant portion of the surplus and secondly it will allow tax rates to continue to increase, which will eat away any savings. And it doesn't address property taxes. It's transparent. You can't deal with property taxes without dealing with the schools. Period. I mean, you're dealing with the tail and not the dog.

HPR: When you came out with your freeze proposal, Democrats accused you of hurting the poorer school districts. Is that a fair analysis?

Goldsmith: No! It would require schools, like many over governments, to live within their means. It would help the poorer districts because now they are raising their tax rates as their schools collapse and aggravating the flight of wealth. By the way, it's not unimportant - and this is because the AFL-CIO helped draft Frank's tax plan - that he's introducing a graduated income tax plan when the rest of the country is moving toward a flat tax. That's a substantial tax policy change.

HPR: New responds by saying that characterization is "silly" and that you just don't understand or are distorting it.

Goldsmith: It is a graduated income tax. If the credit is graduated, then the income tax

becomes graduated. I mean, I'd be happy to have him explain it to me. If the rate of your credit is graduated by your income... well, he may be saying something he doesn't mean. But so far they have said they are going to graduate the credits based on your income. Now if they want to disavow that, I'd say great.

HPR: You see this contrast as a central theme for the rest of the campaign?

Goldsmith: The fact that they refuse to cap the growth of government, they refuse to take on schools, they use a graduated income tax shows this is a plan that is hollow and capitulates to the special interests.

HPR: How does Larry DeBoer's study factor in on the tax debate?

Goldsmith: All of those things are interesting and different pieces of the puzzle. Fundamentally, Frank has sat on and has been present during the largest property tax increase in, who knows, recent history. The only way to get control is to cap the growth of its revenues. You have to freeze the rates. Nothing else will make much difference. And then next year, after we freeze the rates and after a very large public discussion on total tax reform, inventory tax reform, interaction between property tax and sales tax. So I agree, some of the broad issues can be deferred, but property tax relief cannot be.

HPR: What will you, Speaker Mannweiler and Sen. Borst be talking about later this week?

Goldsmith: Same things we've said. How his tax plan will adversely effect the economy.

HPR: I've read your Council on Crime in America report and O'Bannon's 10-point action plan on crime. Both of you see the need for more prisons. What are the differences?

Goldsmith: They so far have no plan on the issue addressed most directly in this, which is the decriminalization of juvenile crime; the lack of facilities to hold juveniles; justice for juvenile offenders.

HPR: You will be proposing your own crime plan in the near future. Can you give me an idea of what you will propose?

Goldsmith: No, not yet. You've got too much from me already.

HPR: Anything you'd like to say that I haven't asked.

Goldsmith: No. That's plenty.

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requests for appearances on national TV shows in the week leading up to his keynote convention speech. NBC's Meet The Press, CBS's Face The Nation, ABC's Good Morning America, NBC's Today, Fox News Sunday, CNN and C-Span have all lined up to talk with Bayh. Also included is Comedy Central's "Politically Incorrect" program. Fred Nation told the Evansville Courier's Doug Sword that the comedy show has piqued Bayh's interest. "He said that might be fun."

Mayor Stephen Goldsmith "chided" Lt. Gov. Frank O'Bannon about "inaccuracies" in his welfare TV ad. "I'm a little surprised that the O'Bannon campaign would begin its campaign talking about welfare," Goldsmith said. "During O'Bannon's term as lieutenant governor, the state experienced record highs of welfare dependency, led the nation in food stamp mismanagement, and nearly doubled the spending on AFDC." Goldsmith, highlighting what will be TV ad attacks this fall, said that the Bayh-O'Bannon administration's 30 percent reduction in welfare followed a caseload increase of 37 percent between 1989 and 1993.

Don't expect "Golfgate" to fade quickly for the Goldsmith campaign. A civil lawsuit filed by

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David Karto, a former golf course manager, will be tried in October. The Indianapolis Star/News reported that depositions for that suit reveal new charges of improprieties in golf course privatization. The juiciest came from GOP Councilman Cory O'Dell, who said in a deposition, "The process was full of holes, but we tried to do it really well." HPR presumes there was no pun intended during the testimony.

Democratic AG candidate Jeff Modisett is traveling the state pushing a legislative proposal that would allow parents and families to file civil suits against drug dealers. The Indiana Drug Dealer Liability Act would allow persons (including former drug users) to file claims as the result of injuries in drug-related accidents or fatalities. "Dealers get rich quick. This bill will help them get poor quick," Modisett said as he held press conferences in Indianapolis, Terre Haute, Jeffersonville, Fort Wayne and Gary this week.

Vice President Dan Quayle will campaign on behalf of 9th CD Republican nominee Jean Leising from 7 to 9 p.m. Sept. 1 in Lawrenceburg.

State Sen. Bob Hellman, the

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COLUMNISTS ON INDIANA

Jack Colwell, *South Bend Tribune* - The Republican National Convention is over. Questions remain: **Q.** Does Bob Dole have a chance? **A.** Of course. It's nuts to suggest, as some do, that Dole is too far behind in the polls to catch up on Election Day. Polls are only a snapshot of opinions at the time they are taken. Opinions change, particularly on Bill Clinton. Dole has a chance. **Q.** A good chance? **A.** I didn't say that. Dole's chances might not yet be good. But by no means are his prospects down in the hopeless range to which Republican Barry Goldwater (1964) or Democrat George McGovern (1972) were relegated after disastrous conventions.

Andrea Neal, *Indianapolis Star* - After several months of alienation, I have found the Republican Party once again. I found it in presidential candidate Bob Dole's acceptance speech last week, which described an America of inclusion, opportunity and character. I found it in vice presidential running mate Jack Kemp, whose understanding of urban America shaped the conservatism I believe in. I found it in Susan Molinari, who seemed almost a mirror image of myself: a 38-year-old working mother, who espouses pro-choice for reasons rooted in her own generation and its experience. I found it in Colin Powell, who proves that success has nothing to do with race but who knows that race can sometimes impede success. I found it in Elizabeth Dole, who is a hard-working professional and a loving wife. I found it in Steve Goldsmith, whose brand of conservatism is both progressive and populist and who represents the next generation of GOP leaders. The Republican Party on display last week was diverse, vibrant and articulate.

David Broder, *Washington Post* - Indianapolis Mayor Steve Goldsmith, 49, now running for governor of Indiana, is a man Gingrich cites as a model. Soon after his election in 1991, Goldsmith embarked on an effort to trim city taxes and payrolls, while improving services needed to hold middle-class families and attract

business. To do that he opened many city operations to competitive bidding. Four years later, when *Governing* magazine honored him as one of its public officials of the year, it noted that he had privatized some five dozen functions, including such big one as the airport and water treatment plant; cut the city budget by \$24 million; and reduced the work force by one-third, mainly by eliminating middle-management jobs that had served as a Republican patronage pool.

Gerry Laosga, *Indianapolis News* - As long as we're on the subject of denial, I would be remiss not to mention the Republican National Convention. Rush Limbaugh, of course, couldn't have been more excited. The day after delegates watched a video tribute to former President Ronald Reagan, the Pretty Good Communicator could barely contain himself. "It was optimistic. It was positive. It was inspirational last night," he said. Best of all, Limbaugh gushed, there was no negativity at the convention, and certainly no victims. "Didn't you just feel like America was back?" And after the convention was adjourned, delegates continued the Fantasyland theme by taking a trip to Disney-land.

Henry Lange, *Michigan City News-Dispatch* - On Michigan City's busy North Side rail complex in 1899, President William McKinley arrived by train, shook hands, delivered a three-minute address and then waved to the cheering throng as the train pulled out heading for Kalamazoo, Mich. McKinley was the only sitting president ever to stand and talk in Michigan City, but that will all change on Aug. 28, when President Clinton comes to town and plans to stay awhile. Bill Clinton obviously sees the benefit of stopping in what might well be defined as an All-American community such as Michigan City with its diverse ethnic population, mixture of business and industry, long-time Democratic stronghold and all totaled a pretty nice place from which to catch a boat to Chicago.

Hoosier Republicans glow after convention; Goldsmith emphasized failed poverty fight

SAN DIEGO - With the exception of a nasty little conversation between Rex Early and Allen County Republican Chairman Steve Shine, (Early expressed his ire at Shine for not supporting him) the Indiana delegates had a marvelous, uplifting time in San Diego. And it was mirrored by the press coverage in Indiana newspapers.

"Indiana delegates were darn near euphoric at the close of the Republican National Convention, not so much because they believe Bob Dole will be president but because they are convinced now that he has a fighting chance," wrote Jack Colwell in Sunday's *South Bend Tribune*.

Colwell quoted Indiana GOP chairman Mike McDaniel as fearing the "Dole drag" on his state ticket. Afterwards, McDaniel said, "If he continues to articulate the way he did, Dole has a great shot at winning this thing."

The *Gary Post-Tribune* reported in its Insight section on the front page, "Bob Dole got everything he hoped from his nominating convention - a four-night television display of Republican moderation and reason, a major push from his telegenic wife and his dynamo running mate, and the success of an acceptance message that revealed him at his best."

As for HPR's view on the convention, here are the highlights:

■ The Dole speech started out excellent, with him crafting a visual image of a man

on the Kansas plains, small against the horizon. He accented trust - the key thematic contrast to President Clinton - but the center of the speech drifted. It wasn't organized, although it concluded with a nice flourish.

■ Jack Kemp's speech was better organized, had more pop and seemed to steal some of Dole's thematic thunder.

■ Elizabeth Dole's speech was good from the floor, had a TV-talk show aura to it and was spiced with testimonials to her husband's good character. But watching it on TV, the camera angles were terrible (too many obstacles in the way) and detracted from her message.

■ The best speech came from U.S. Rep. J.C. Watts, the former football star, who passionately talked of coming from the wrong side of the tracks to become a congressman.

■ Mayor Stephen Goldsmith's speech Thursday night centered on this theme: "Over the last 30 years, the federal government spent billions trying to buy our way out of poverty. If big government liberalism had merely wasted all that money, we would simply chalk it up as a costly error. But instead, big government did something far worse. It spent those billions in ways that hurt the people it was trying to help."

1996 WATCH

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7th CD nominee, has challenged House Majority Leader Dick Arme to a debate. "It has come to my attention lately that Rep. Arme has been appearing on local radio shows and speaking to local newspaper reporters, criticizing the wage issue paper that I recently released," Hellman said. "If this Texas representative wants to discuss the issues affecting the citizens of the 7th District, I would like to take this opportunity to formally extend an invitation for Rep. Arme to come to Indiana to debate." In early August, Hellman released a six-point wage plan that insists the Federal Reserve pursue a full employment and high growth policy to present a "seller's market," that Congress should discourage taxpayer-subsidized plant relocations to lower wage areas, and ensure that foreign trade agreements don't replace American workers with foreign workers and children who are paid subsistent wages.

U.S. Sen. Richard Lugar is meeting with officials in Russia, Latvia, Ukraine and Hungary this month to address strategies for enhancing political, economic and military security stability in that region. "The United States must be a leader in the international fight against terrorism, and we must enlist the support of our Russian and European allies in

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tackling this threat," Lugar said.

State Sen. Joe Zakas has accused U.S. Rep. Tim Roemer of taking a \$5,000 PAC contribution from the Laborers International Union of North America, saying that union has "close ties" to organized crime. Said Zakas, "Dirty money has no place in Indiana politics."

Gov. Evan Bayh penned an article for the South Bend Tribune titled "Want to be important? Be a good father." Bayh writes, "Some would say that there is no greater honor or more important position to hold in Indiana than the office of governor. But I accomplished my most important role and assumed my greatest responsibility on a November day when my name did not appear on any ballot. Late last year, I became a father. Susan and I have enjoyed a happiness greater than we thought possible." Bayh used the article to promote a Sept. 24 conference on "Restoring Fatherhood, Renewing Families." Bayh invites those interested in attending to call 317-232-4567.

HPR Publisher Brian Howey will address the Economics Club of Michiana on Oct. 16 in South Bend. For speech information, contact Howey at 317-685-0883.

Gubernatorial, from page 1

and the Dole tax cut plan. His small government message has now become the national Republican message.

As HPR reported last week, O'Bannon went for the earned media with headlines on his \$1 billion tax cut and with two TV ads, each running statewide with 500 to 600 gross rating points, the second of which resembled Rex Early's primary ad centered on getting trouble-makers out of the classroom. The O'Bannon strategy of advocating programs for safe schools coincided with the beginning of the 1996-97 school year.

The O'Bannon strategy may have had a better pay-off at this early stage. The Indianapolis Star bannered the story "O'Bannon proposes tax reductions" on Aug. 14 and most other Hoosier newspapers gave it front page play. For instance, The Lafayette Journal and Courier ran the AP dispatch on page 1, but below the fold under the head "O'Bannon plants tax plan in property tax field."

And the Democrat is hoping for his own big bump at the Democratic National Convention in Chicago next week. Gov. Evan Bayh will give the keynote address next Tuesday night and there are negotiations to get a speaking role for O'Bannon. "We're working on that and very hopeful that it will happen," New said. "Gov. Bayh will talk about our record here in Indiana, so even if he doesn't speak, it will help us out."

In a contrast of dueling national speeches, it is a safe bet that Bayh's primetime keynote will get much more exposure and analysis than Goldsmith's Thursday night foray.

The Goldsmith forces saw no reason to begin paid TV advertising. "Not in the very near future. No plans at all," Hatfield said. Indeed, past Goldsmith strategy has been to make concentrated TV buys when the campaign is in full swing, including the expensive Louisville and Chicago markets. What is surprising is that Goldsmith had a huge name ID edge in the Indy market and yet his lead is down to single digits.

Critical mass issue?

The two campaigns did begin to position themselves for a battle royal on taxes. Gold-

smith is expected to trot out House Speaker Paul Mannweiler and State Sen. Larry Borst to begin a legislative assault on the O'Bannon plan later this week.

"There are critical moments in every campaign and nothing so clearly illustrates this than the two tax plans," Hatfield said of the Goldsmith tax freeze and O'Bannon's plan to ease property taxes aimed at the middle class.

"It does nothing to reduce property taxes," John Hatfield said. "It does nothing to reduce the drawback in Indiana's competitive position for business. And it exempts schools. That's a siren blast about the influence of the teacher's unions in Frank's campaign."

And Hatfield said the Democrats' call for what he called a "graduated income tax" comes at a time when the country is "moving toward a flat tax."

"It's the one key issue," Hatfield said, "and it shows that Frank O'Bannon is a traditional, old school, big government liberal and here's proof. That will be a contrast from here until Election Day."

New was also positioning for the contrast, saying the choice Hoosier voters will make is whether to "stay on a road of continued progress or take a dangerous detour."

New called Goldsmith's attack on a graduated income tax "silly" and added, "He's either deliberately distorting the program or he just doesn't understand. All we're trying to do is give back a significant portion of the surplus."

And as Goldsmith has claimed that Golfgate is just one in a continuing series of attacks from Marion County Democrats, New said that Republicans are "always saying we're in the hip pocket of the ISTA."

"We exempted schools from the levy caps because the current school formula is tied to current property tax parameters. We were afraid it would wreak havoc. In the final analysis, it would cause more problems than it would solve." New emphasized that O'Bannon's tax program is "only a first step."

Through these positions, the O'Bannon and Goldsmith camps are striking themes and responses that will certainly find their way into the vital TV ads in September, October and November.