

The Weekly Briefing On Indiana Politics

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Brian A. Howey editor and publisher

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

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

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"QUOTE" OF THE WEEK

"God created October so the beauty of Indiana would overshadow the rancor of politics...."

-Wendell Trogdon, Indianapolis News

Split House possible as races tighten up

House freshmen doing better than expected

HPR Forecast: Several of the House legislative freshmen Republicans are waging remarkably strong races for re-election. That, combined with a tactical mistake by Democrats, has prompted HPR to reassess the battle for the House, now placing odds at 50/50 for the GOP to remain in control. Or, perhaps, another House divided.

TERRE HAUTE - Democrat Vern Tincher has been working on reclaiming the House seat he lost to Republican David Lohr virtually the day after the 1994 election.

And numerous observers felt that Rep. Lohr would have an extremely tough time holding on to that seat. Today, both Republicans and Democrats are conceding that the Terre Haute area seats are tossups. Other barnburners for seats held by freshmen Republicans are on-going in the Terre Haute area seat of John Kimmell; in Kokomo where Jon Padfield is looking fairly strong and his Democratic opponent, Ron Herrell, is enjoying an elk hunting vacation in Utah; in Fort Wayne where Rep. John Becker is in a rematch with Democrat Ben GiaQuinta; in Muncie where Jim Vanleer is trying to fend off Democrat Sue Errington; and in Batesville where freshman Cleo Duncan is in a battle against Vicki Kellerman.

Each of those races is a tossup.

What is going on here?

Several things. One, there isn't an anti-incumbency factor that prevailed so heavily in 1994. Freshmen Republicans like Kimmell and Vanleer appear to have built up a good standing with their Democratic-leaning constituents.

Secondly, the Democrats may have made a tactical mistake in attacking Lohr, Kimmell and Becker with TV ads saying they voted to help child molesters in a 1995 parental rights bill. A Terre Haute TV ad aimed at Lohr and Kimmell called them "double trouble." The problem is that 77 House members supported that bill, including

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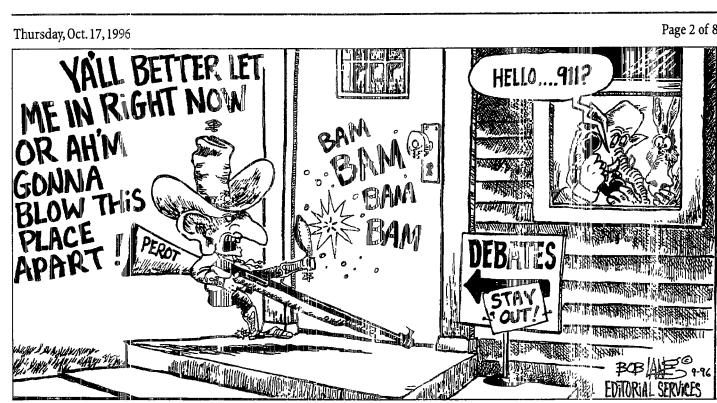
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Indiana's fastest growing source of political news

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PLAY OF THE WEEK: Libertarian gubernatorial candidate Steve Dillon gets the nod this week for his appearance at the Crown Point debate. He got some good headlines, his picture on the front pages of many of the state's finest newspapers (although the Indianapolis Star cropped him out) and he seemed to make the greatest impression on high school students who watched the debate. This is not significant in this election, but Dillon did a good jub of planting the Libertarian seed.

Both Republican and Democratic observers are giving 10th CD candidate Julia Carson high marks for her latest:

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2nd CD epicenter for control of Indiana House

House Minority Leader John Gregg and it was signed by Gov. Evan Bayh.

Third, the Dole presidential campaign is said to have finally taken a lead in Indiana. That, in tandem with U.S. Rep. David McIntosh's almost certain re-election in the 2nd CD is giving Republicans in East-Central Indiana races new legs. Vanleer in Muncie, Republican Tom Saunders' strong bid to oust Democrat Rep. David Copenhaver in New Castle, Dick Hamm's rematch against Dick Bodiker in Richmond (where he finally has the endorsement of Sen. Allen Paul), and part of Duncan's district all fall in the 2nd CD.

About five weeks ago, McIntosh campaign sources were telling HPR that tracking there revealed a significant percentage of voters in the ticket-splitting mode - willing to vote for political polar opposites McIntosh and President Clinton. The extremely positive Ruthie McIntosh TV ads and new traction by Dole may prevent some of that ticket splitting.

Two other developments are taking hold. U.S. Rep. Dan Burton is using part of his \$1 million warchest to run generic-styled anti-tax, pro-Republican ads in the Indianapolis TV market. And the Republican House Campaign Committee got a full two-week jump on direct

mail, with two drops already occurring.

Add the 79th House District seat between Rep. Barb Engle and Adams County Commissioner Mike Ripley, which both parties say is a pure tossup, a strong re-election showing by Rep. Sally Rideout Lambert in the 74th District, and literally, anything can happen.

"I think we'll have 54 seats," said Brad Tracey of the HRCC. "But they won't be the same 54 seats we have now. This will be the first time we'll have lost seats since 1990 - ever since the Democrats redrew the maps. If Dole does better and if he can get his Indiana numbers up, I'll feel real good. The biggest thing will be turnout. Who gets their people out."

Indiana Democratic Chairman Joe Andrew conceded that a number of the House districts are now intense battlegrounds.

"Are races tightening up? Sure," Andrew said. "You can't maintain 15- and 16-point leads. But we're maintaining leads while the Republicans have dropped direct mail and gone up on TV and radio earlier than we have. Our mail is just dropping this week, so this game is now fully engaged."

Fully engaged, with the Indiana House going from "Leaning D" to a pure tossup.

Early predicts that Dole will capture Indiana by 6:15 p.m. on Nov. 5

HORSE RACE

TRENDLINE: Rex Early predicting that Indiana will go on the board for Dole by 6:15 p.m. on Nov. 5. Dole's last debate might help GOP congressional candidates here, particularly when he emphasized Clinton's 1993 health care fiasco.

PRESIDENT

Bill Clinton,D Bob Dole, Rep Ralph Nader, I Ross Perot, Ref Harry Browne, L Likely D Post-debate poll numbers: CNN/USA Today:
Clinton 48, Dole 39; Hotline/Battleground:
Clinton 50, Dole 37; Reuters/Zogby: Clinton 46,
Dole 33; ABC News: Clinton 55, Dole 38. Like

convention speech, Dole started out good, petered out, and didn't take pardons to the Prez.

GOVERNOR

Stephen Goldsmith, R Frank O'Bannon, D Steve Dillon, L Tossup

Vargus poll on WISH-TV released on Oct. 10 (746 likely, 3.6 +/-) shows O'Bannon leading 44-43 percent. Vargus said independents moving more rapidly toward O'Bannon. Grand jury report could be the other shoe that drops on Goldsmith campaign. O'Bannon TV ads have

that hard edge to them; Goldsmith softens tone.

74TH INDIANA HOUSE

Sally Rideout Lambert, R Russ Stilwell, D

TOSSUP

This moves into the tossup zone. GOP ready to drop \$100,000. Republican poll has Lambert up by 4 points. Dems say it's close. Could be a

\$250,000 race before dust settles.

<u>79TH INDIANA HOUSE</u>

Mike Ripley, R Barb Engle, D **TOSSUP**

Possibly the most expensive House race. Both sides' ads are positive. Ripley working to up

name ID in Allen County.

80TH INDIANA HOUSE

John Becker, R Ben GiaQuinta, D TOSSUP

A Fort Wayne barnburner. Both sides spitting fire. Becker won by 7 votes in 1994.

46TH HOUSE

David Lohr, R Vern Tincher, D Tossup

Democrats may have backfired on parental rights assault. Lohr bouncing back, like he said

he would.

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

TV ad (the one in the yellow outfit) where she urges viewers to come on over and have a chat if they happen to see her. HPR sees it has perhaps the most effective line in an Indiana ad to date.

Latest Star/News/WTHR poll conducted by IU pollster Brian Vargus has Virginia Blankenbaker leading Julia Carson 41-36 percent. The poll had a +/-5 percent error margin, which is higher than normal for this year's Vargus polling. And he's had sampling problems in the 10th CD.

Former Texas Gov. Ann
Richards made several stops in
Indiana, stumping for Carson
at the Marott in Indianapolis
and in Munster for Lt. Gov.
Frank O'Bannon. Her take on
the national dynamic? "What
worries me is there's a feeling
out there Clinton is doing so
well and he's going to win this
campaign," Richards said in
Munster."Our job is to get people stirred up to understand
how important it is to vote."

When Richards arrived at the Marott, observers reported the former governor asking, "What Congressional District is this?" She wasn't the only national figure stumping for Carson. San Diego Padre Tony Gwynn and his wife, Alicia, hosted a fundraiser for Carson in their home in Fishers. Gwynn

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HPR INTERVIEW

"These volunteers
wanted to see
Washington
change, and they
saw in John
Hostettler a man
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changed by
Washington..."

- Curt Smith



Hostettler campaign eyes victory despite AFL-CIO motherlode

BLOOMINGTON - He was to be "the project." After the a trio of Republican freshmen were elected to Congress during the Gingrich Revolution of 1994, John Hostettler was given the worst chance at winning re-election.

He has been targeted with hundreds of thousands of dollars of AFL-CIO money, by environmentalists and even deserted by Speaker Gingrich himself last January at a rally that might have supplied 20 percent of his warchest.

So how could it be that in a district expected to be carried by President Clinton by a significant margin, Hostettler is expected by many observers to cruise to re-election?

We asked Curt Smith, Hostettler's chief of staff, to comment on this issue from the Republican's campaign office.

HPR: I'm hearing a lot of reports that you are leading this race by 7 or 8 points. What's your tracking show?

Smith: We're not doing tracking polling, but all indications we get from polls is that John has a healthy lead in the race and it's very encouraging.

HPR: Outside the margin of error? **Smith:** Oh yes. Not double digits, but approaching that.

HPR: A year ago, did you ever dream that Hostettler would be in this good shape?

Smith: I thought it was very likely John would be in this position. The thing that we knew from 1995 forward that the candidate in this race with the most money would be the AFL-CIO. So we've known for close to 18 months that the AFL-CIO was going to target John. They were going to come after him with everything. It's hard to estimate how much they've spent in this district, but I'm confident it's over half a million and will grow from there. That means they'll spend more than anyone else in the race. I'm very gratified by the result we have in a very difficult national environment for Republicans, and in a very difficult environment in this district because of the AFL-CIO.

HPR: How does the AFL-CIO money in the 8th compare with other districts?

Smith: Our media prices are a little

lower in Southwestern Indiana than they are in other parts of the country. I'm told they've spent \$1 million in the Phoenix market against J.D. Hayworth. At the same time they made a buy of over \$100,000 in our district. I don't have very good figures for our district but I do know is when you take the broadcast and cable figures together, that was over \$100,000 in late September and was probably the 15th wave of television they have purchased against us. We're on their short list. We've taken a lot of shots from them.

HPR: (Campaign manager) Chris Crabtree told me that four broadcast stations have rejected their ads. Chuck Deppert of the AFL-CIO told me that wasn't true. What's your response?

Smith: Chris's comments are absolutely true. At one time or another there were five broadcast stations had rejected one or more of the commercials. WIKY, the acknowledged news radio leader, has rejected their commercials. Our office has been more successful than any other in the country to getting these lies off the air. I think it has to do with how we approach the broadcasters. We don't threaten them with lawsuits or promise them audits of their records. We appeal to them as journalists who have the license to broadcast in the public interest. We ask them to look at factual information. We told them we understood the profit motive. In just about every case we've had one or more of the stations agree to pull them. To my knowledge right now, none of the ads are running on broadcast TV in Evansville. They're on the cable system and they're on in Terre Haute. Some ads, one station will reject and others won't. Other ads, they've taken them all off. I don't think any of our stations right now would take an ad about Medicare cuts, because there are none. That's a lie.

HPR: What are the other issue topics?

Smith: Every and I've seen is false and inaccurate. And I'm not talking about perception. I'm talking about the facts. Whether it was the pension loan; there was no pension raid. Whether it was student loans; there were no

cuts. Whether it's Medicare; there were no cuts there.

HPR: How much money will Hostettler sink into this race?

Smith: I think the congressman will raise close to \$500,000, perhaps a little bit more if you include the fully coordinated monies from the NRCC, which is \$60,000.

HPR: How many points to you believe President Clinton will carry the 8th CD by? Or will he carry it?

Smith: I believe he will carry the 8th District. I hope it is less than 10, but he may carry it more than that. The 8th District is Democratic, a quarter of the people in the district make no bones about describing themselves as a liberal, or moderate, which means liberal to most people. The conservatives are very populist. I think that's why John is doing so well. I predict that, unless something dramatic changes, John will run ahead of both Bob Dole and, perhaps, even Steve Goldsmith. Although I think Steve is doing well in this district.

HPR: Will Goldsmith carry that district?
Smith: I think it will be a fight. Southern
Indiana folks are attracted to O'Bannon on a
couple of counts, including geography. But if
Steve really hones in here, sharpens his message
and gets it across, I think he'll carry the day in
the 8th. But it's up for grabs right now, but in
the end, maybe Frank O'Bannon will carry the
8th.

HPR: Give us a comparison of candidate Hostettler in 1994 and what you're seeing today?

Smith: No one could go through two years of hearings and briefings and meetings and all the things that happened during the 104th Congress and not be far more informed than they were before about issues. He's far more polished about speaking. And he's much more experienced in reaching out to people and building coalitions. I think the thing that is attracting more people to John is that he is still the same person. He's been very clear about what his values are. He put them down on paper before he went to Washington. And he voted them consistently, even when they were, quote, not the politically popular thing to do, unquote. People admire his independence and that he stuck to his guns, broke ranks with the Speaker on some visible votes. He's been his own man.

They admire his integrity and independence and I think that will carry the day for John.

HPR: The blowout with Newt Gingrich last January has really turned into a political advantage for Hostettler, hasn't it?

Smith: Yes it has. It wasn't intended, of course. John wrote him a thank you letter, but said he wouldn't tolerate any fundraising linked to votes. We left a lot of money on the table because of that. He has no trouble sleeping at night. He thinks it's very important for him to set a higher standard as a Member of Congress and it's turned out to be a very advantageous position politically, although it was rather difficult to go through it. It has been a boost for him politically, and not because he shot one across the speaker's bow, but people know he's going to stick to his guns, even if it costs him a \$100,000 fundraiser when that's 20 percent of his budget.

HPR: Basically it's kept Weinzapfel from calling him a Newtoid robot.

Smith: It's kept that charge, which I believe would be false of virtually anyone in the freshman class, from having a big bite in this district. They know quite about about this first-term representative. They know his word is his bond and they also know he had a very visible spat with the Speaker.

HPR: Lee Hamilton told me that his polling in the 9th CD shows Gingrich's unpopularity to be almost unprecedented.

Smith: We've not tested the speaker in our polling. We are a very frugal operation.

HPR: You seem to have legions of grass-roots supporters. What is prompting these people?

Smith: John has the most impressive grassroots organization I've ever seen. The people - well over 3,000 volunteers - come into the office to volunteer scores of hours. These volunteers wanted to see Washington change, and they saw in John Hostettler a man who would not be changed by Washington. They watched John serve and they're thrilled with what they've seen. When we had Charlton Heston in the district, John pointed out that he's the one who is up front, whose name is on the ballot, but they're all very much apart of the organization. He was quite eloquent to the 600 people there.

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spends much of his off-season in Indianapolis where his wife works.

Don't be surprised if voting totals in Indiana drop to 40 percent or below. There will be lots of moaning about the lack of people exercising their duty to vote. What many observers are predicting is that an increase in Motor Voter registration, particularly those who signed up while seeking public assistance, inflated the voting rolls.

The Goldsmith campaign ran a heavy rotation of ads during the Notre Dame-Washington football game in the Chicago media market last Saturday. The response from the O'Bannon campaign? Manager Tom New said that 89 cents of every dollar had been wasted on Illinois viewers.

How confident does U.S.Rep.
Tim Roemer feel about his reelection chances? On the front
page of Wednesday's South
Bend Tribune, Roemer commented on the selection of
Lake Wawasee for a National
Weather Service Doppler radar
site by saying,"A lot of credit
goes to Republicans and
Democrats who have worked
together for the last five years
to get this technology into the
Third District of Indiana."
Some Republicans thought

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they had caught Lt. Gov. Frank O'Bannon doing what might have been sacreligious in the Hoosier state - falsely claiming he was a member of the Indiana University basketball team. Republicans had received a tip that O'Bannon had merely tried out for the team with dozens of other students. But while O'Ban nonnever played in a varsity IU game, he was on the roster during his sophomore year and was included in the team photo. O'Bannon also played on the freshman team.

Republican AG candidate Steve Carter is called for the establishment of a gambling oversight office. "We need a central place where complaints and questions of impropriety can be directed," said Carter.

U.S.Sen. Richard Lugar v/as talking with great anticipation about his trip to Moscow with **U.S. Secretary of Defense** William Perry, in part because the two of them would be meeting with Russian Prime Minister Viktor Chernomyrdin and National Security adviser Alexander Lebed. But on Wednesday, President Boris Yeltsin fired Lebed, accusing him of already running for president in 2000. It may be an understatement to suggest that Lugar will probably have some interesting stories to tell

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COLUMNISTS ON INDIANA

David Rohn, Indianapolis News - Coverage of this election is down about 30 percent from the presidential election four years ago, according to ADT Research. The Annenberg School for Communication says that during the first 10 days of September, front-page election stories in the New York Times, the Washington Post and the Los Angeles Times were down by 50 percent. Interest in the first debate was way down, and few people are expected to tune in to the second debate. What we appear to have at the moment is an electorate resigned to Clinton serving another term. With support for Ross Perot dropping off, Clinton may actually win a majority of the vote and have a huge share of the Electoral College. It wouldn't surprise me, though, if Clinton's vote total is down from four years ago and he carries a modest fraction of the potential voting age population of this country. That will not be a victory for Clinton and a loss for Dole so much as a defeat for the entire American political process. And that should concern us all.

Mary Dieter, Louisville Courier-Journal- In the same week that Goldsmith was trying to score points by calling for an end to negative campaign ads, he kept running one of the nastiest ads ever used in an Indiana race. The contradiction was particularly evident on television news programs. A news story would feature Goldsmith decrying negative ads. And then the station would go to a commercial break and there would be the same "awful" ad (Goldsmith's adjective) that he said he had found so bothersome. When O'Bannon, who declined Goldsmith's offer, nevertheless replaced his negative ads with one doing exactly what Goldsmith described - that is, the candidate himself speaking to the camera - Goldsmith ignored that.

Phil Fonce, Chicago Tribune - Many communities in Northwest Indiana have schools and neighborhoods that match those of sought-after Illinois suburbs. The only difference is lower property costs. But what really matters is this:

according to the Northwest Indiana Forum, 50,000 people moved from Illinois to Northwest Indiana in the 1980s. Forty-thousand commuters cross from Indiana to Illinois every workday, while another 14,000 do the same from Illinois. Gary will never be Glencoe, Whiting may never be Wheaton and East Chicago will never be east Kenilworth. But even without any radio ads, the Region is becoming a desirable Chicago suburb, anyway. A king once wondered why his kingdom was changing. "Your majesty," he was told, "The peasants are voting with their feet."

Darryl Fortson, Gary Post-Tribune - Dear Black Man: Exactly one year ago today, I attended the Million Man March in Washington, D.C. This past year has been one of both gains and loss, but I am learning something new and valuable every day - about my work, my family, my Creator, and about myself. I hope that you are doing the same. Personal growth is not an easy task for anyone, white or black. Truth be told, the current social and economic system under which the overwhelming majority of the world exists does not really want anyone to have anything in life. Our struggle differs not in its intensity or significance from any other race of people, but rather in its nature. You see, our struggle is against ourselves.

Alan Julian, Evansville Courier - Do you need another example of how Indianapolis doesn't pay attention to what's happening in Evansville? Incredibly, the Indiana Republican Party sent out a mass mailing this past week to voters in the Evansville area urging them to take advantage of the mail-out absentee voting process. The mailing includes an absentee ballot application. Hello! If Indiana GOP chief Mike McDaniel, et. al., had been paying any attention at all, they would know that mail-out absentee balloting is at the center of one of the biggest voting controversies here in years. Mail-out ballots already have been the subject of one police investigation in Evansville this year.

PERHAPS. WE WANDER

Lugar talks of soccer moms in an 'I told you so'address

INDIANAPOLIS - I've never heard Sen. Richard Lugar use the phrase "I told you so."

But that was the essence of his talk to the 7th Annual Lugar Excellence in Public Service Series luncheon last Monday. His topic was the Dole presidential campaign. The things he saw unfolding more than a year ago, and crystalizing last January in Iowa and New Hampshire are now coming true.

Lugar worked off the stereotypical "soccer mom" featured recently in Time magazine. She is a 37-year-old Missouri woman with three youngsters who play soccer. She has gone through two marriages. She now lives with a guy, afraid to marry again. She is swamped by her job, child care, making ends meet, and keeping track of everyone.

"She is overshadowed by life," Lugar said. She has no time to read the newspaper, watch the network newscasts. But her overwhelming concern is safety - for her kids when they traverse the streets.

While this Missouri soccer mom may not pay much attention to politics, Lugar believes and thousands - if not millions - of other people have picked up on the same strands of Republican politics. A year ago, there were nine GOP presidential candidates trying to "out-conservative" each other. They talked about what Lugar called "red meat" issues of knocking off welfare queens off the public dole.

The crowds, Lugar said, "would wildly applaud, waving napkins. But those watching silently on C-Span, alone in their living rooms were wondering what was happening and who these people were."

Fourteen months ago, polls showed that 62 percent of the voters would not vote for Sen. Phil Gramm, 72 percent wouldn't vote for Pat Buchanan and 75 percent wouldn't vote for Ross Perot. And poll after poll showed Dole losing to President Clinton by at least 10 points.

"That left Sen. Dole," Lugar said, observing that he was a man who didn't like to

By Brian Howey

campaign very much and by-passed the traditional mode of New Hampshire living room, county fair and kaffee klatsch-style stumping for "the old-fashioned way - a lot of heavy TV."

Meanwhile, the Republican officials in Iowa and New Hampshire were endorsing Dole months before the campaign even had begun, like, as Lugar, noted, "lemmings into the sea."

Why is Dole still down, double digits?

Because last January Dick Lugar and his earthling polar opposite - presidential consultant and sex scandal victim Dick Morris - saw the same thing. Clinton repositioned himself into the limelight of conservative aura. He embraced welfare reform and deficit reduction, but he went vegetarian on the red meat issues. Bill Clinton won't cut Medicare. He stood up for teachers.

"He's running against the Republicans, Newt Gingrich. What Dick Morris told the president was to forget the big health plans and the big schemes and simply run against the Republicans.

"It's been very effective," said Lugar, who noted that he, himself, "was there before conservative was cool."

As for the consequences, Lugar explained, "We better shake that off in a hurry."

Not only may Bill Clinton become the first Democrat re-elected since FDR, but the Democrats may retake the U.S. House and Senate, which is "very bad news."

For the "weird thing" that Lugar has witnessed is the "liberal bonding" to Clinton from the likes of Dick Gephardt and David Bonior. "Why was there no primary opposition to Bill Clinton?" Lugar asked, before answering the liberal answer, "Because if he really does win big, we're back after a two-year aberration."

If a Democratic controlled Congress wants to repeal welfare reform, Lugar asks, "Will Bill Clinton veto their bills? That's the predicament.

"That poor soccer mom in Missouri needs to know we have a plan."

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after this trip.

Lugar also suggested in his speech to the Lugar Excellence in Public Service luncheon on Monday that Perry and President Clinton need to make clear to the American people exactly when American troops would be leaving their peacekeeping mission in Bosnia. Lugar believes that U.S. troops will remain in Bosnia well after the deadline President Clinton had imposed for later this year. Lugar said that word of an extension can be expected following the Nov.5 election.

Democratic AG candidate Jeff Modisett has been endorsed by the Fort Wayne Journal Gazette.

3rd CD Republican Joe Zakas is playing his Indian casino card against U.S.Rep.Tim Roemer. "We do not need an Indian casino here in Elkhart County," Zakas ."The problem we are now facing started when Tim Roemer recognized the Pokagon Indians. I blame Tim for not changing the laws before recognizing the tribe." One of Zakas' primary rivals, Dan Holtz, joined him at the press conference and observed, "Tim is one fo the few people that doesn't understand that Indian casinos come with Indian recognition. The Indian casino will change the charac-

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ter of this community from Bedford Falls to Pottersville."

U.S. Rep. David McIntosh spent much of his time escorting movie star Charlton Heston around Indiana. He also found time to debate 2nd CD Democratic opponent Marc Carmichael and Libertarian Paul Zimmerman in Richmond. Rick Yencer of the Municie Star Press reported that Carmichael "took his only shot at McIntosh in closing." Said Carmichael,"I will never be asked to sign a civility pledge to be a good neighbor to other members of Congress." That was in refer- ∞ ence to a pledge circulated in Congress after the government shutdowns in late 1995. McIntosh responded afterward,"It was unfortunate that Democrats created such a stink."

In the second of his "Smoke Filled Room" sessions at the Knollwood Country Club in South Bend, HPR Publisher Brian Howey watched the final Clinton-Dole debate with a dozen members of the Economic Club of Michiana. The consensus of the debate was that Dole started out strong and then backed off. Clinton had little to lose and played it safe. And so it goes....

Crown Point debate coverage points to recurring Goldsmith flaw in tax message delivery

CROWN POINT - In a week that featured yet another torrent of negative coverage on the Goldsmith gubernatorial campaign, one story really had to have the Republican's campaign scratching their heads.

The Times of Northwest Indiana led off its coverage of the second gubernatorial debate here with these paragraphs by reporter Thomas Stevens:

"Indiana's gubernatorial candidates presented similar plans for the state's future during a one-hour debate at the county's Old Courthouse.

"Democratic candidate Frank O'Bannon, Republican candidate Stephen Goldsmith and Libertarian candidate Steve Dillon each presented plans that call for lower taxes and smaller state government to a small group of Northwest Indiana-elected officials and about two dozen high school students participating in the Kids Voting program."

And reporter Rich James' lead story in the *Gary Post-Tribune* was similar:

"The three candidates for governor agreed Tuesday night that government was too big and costly, but they had different solutions to the problems."

For months, the Goldsmith mantra has been that the differences between he and O'Bannon are decisive, historic, even extreme. While this campaign has finally shifted away from howling about negative advertising, the one issue that presents the starkest contrast between Goldsmith and O'Bannon is property taxes - the issue of this second debate.

The problem Goldsmith faces is that the issue becomes muddled in the minds of most voters, who don't know a lot about property taxes other than they don't like paying for them.

They have been presented Goldsmith's \$4.1 billion plan that freezes tax rates and removes welfare and school funding, sending them on to the general fund. O'Bannon's plan is \$1 billion with graduated steps for property owners and renters based on income.

"Fifty-five to 60 percent of property taxes are for schools," Goldsmith said at one

point during the debate, turning to O'Bannon, "How can you reform property taxes and exempt schools?"

O'Bannon, calling for welfare and school taxes to be removed from property taxes, did the Democratic thing: he called for a commission, insisting that Indiana is burdened with a 19th Century tax system. It can't be done in piecemeal fashion, O'Bannon said.

The dynamic of this second debate favored Goldsmith, or so most of those in the audience thought, ever with Dillon providing an additional thorn in his side. Goldsmith seemed to be much more on target, consistently homed in on Northwest Indiana problems while O'Bannon muddled through his syntax.

Yet press coverage in Northwest Indiana papers didn't give Goldsmith much of a boost. The *Post-Tribune* highlighted an O'Bannon quote on page 1 - "You can take welfare (out of property taxes) mayor, but your plan doesn't show how to pay for it." In the Times, both candiates got page 1 pull-quotes.

Inside *Post-Tribune* coverage had the high school students supporting either Goldsmith or Dillon.

Goldsmith's problem, heading into Friday's final statewide televised debate is that while there are sharp differences in their tax and education plans, the news media is not drawing a sharp distinction.

And Goldsmith finds himself with about 43 percent of the vote - the same percentage he was showing against Rex Early last winter. Some observers are wondering if Goldsmith maxed out on his natural constituency in the early stages of the race (no pun intended).

It is an ominous sign for Goldsmith, who must still endure a grand jury report on the Meridian Street police brawl. A similar controversy doomed Mayor Richard Lugar's 1974 Senate campaign, one that he lost by only 30,000 votes, but one that saw his Marion County support wane.

Goldsmith must work on message delivery.