THE HOWEY POLITICAL REPORT

The Weekly Briefing On Indiana Politics

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Brian A. Howey
editor and publisher

The Howey Political Report
2625 N. Meridian St., Suite 1125
Indianapolis, IN 46208

Office: 317-926-1433
Fax: 317-254-2405
bhowey@nuvo.net

Daytime number: 317-254-2400, Ext. 273

NewsLink Home Page: http://www.inoffice.com/hpr

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1997 legislative legacy a pay raise?

And is Gov. O'Bannon being too nice?

INDIANAPOLIS - When the dust settles on the 110th version of the Indiana General Assembly within the next two weeks, what will be its legacy?

How about this: The pay raise session.

The past three and a half months in the marble halls of the Statehouse have been ... strange. To use an old Cold War phrase, the functions of lawmaking in Indiana have been a mystery wrapped in a riddle wrapped in an enigma.

The *Indianapolis Star/News* in its "Statehouse Sell-Out" series writes of a "public outcry over the clout of special interests" while "business as usual" pervades in the hallways.

We have a new governor - Democrat Frank O'Bannon - whose reputation was earned as a man coming from within the system who was prepared to work it toward his own goals. Yet we see much of his legislation dead in the water, dramatically changed or hinging on the edge of self-doubt.

And, as last week's letter stated, we have Senate Republicans who have lost their soul by pressing for pay raises and tax increases while the state acts as a bank for an almost $2 billion surplus.

Let's examine these riddles further.

Polling data does reveal a great public concern over how campaigns are financed in both the legislature and Congress. Yet when a legislative study committee conducted field hearings in all corners of the state last summer, a traveling caravan of lobbyists and reform proponents made up 90 percent of the sparse crowds.

The reason there is little movement on meaningful reform is that legislators aren't feeling the heat. It follows the logic of Ma and Pa Hoosier back home that while the system stinks, the legislator they have had the wisdom to elect is different from all the rest.

Indiana University pollster Brian Vargus explains, "There is a

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"QUOTE" OF THE WEEK

"The resolution has passed. The republic has been saved...."

- House Speaker John Gregg, after the House passed a resolution calling for ne high school basketball championship.

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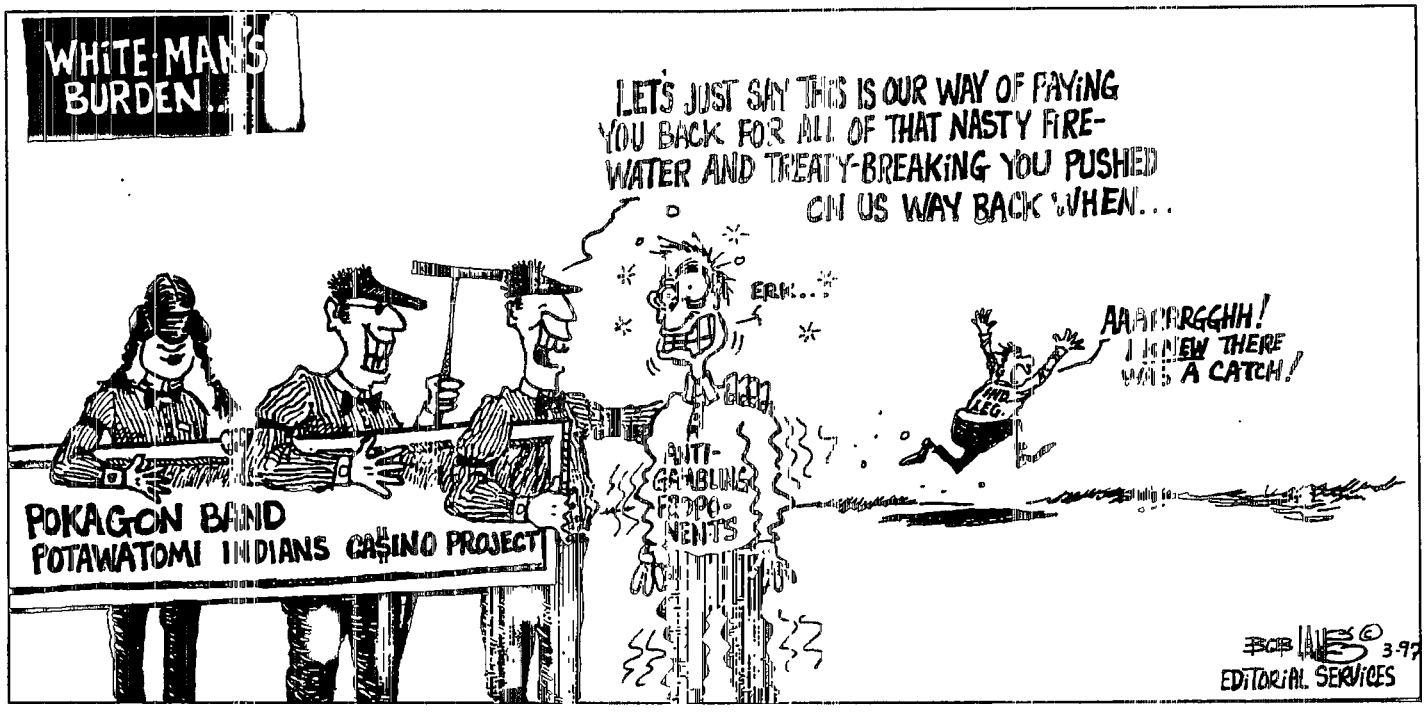

TICKER TAPE

PLAY OF THE WEEK: Ruthie McIntosh, wife of U.S. Rep. David McIntosh, who announced she is expecting a baby. HPR had asked the congressman about potential offspring last winter and he deferred to Ruthie. HPR has to admit we chickened out on questioning Mrs. McIntosh on the machinations of family building and the variables of a potential Senate run. But ... the question was certainly right on target!

■ ■ ■

Kevin Shaw Kellems tells HPR that he will make a final decision on whether to enter the 9th CD Republican primary after he finishes his master's degree at Georgetown University at the end of this

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Legislature, from page 1

perception that the legislature is bought and paid for. People don't like it, but they don't expect anything to happen."

Thus they simply withdraw. It goes along the lines of conservative author Francis Fukujama, who is documenting what he calls the erosion of "social capital" or the willingness of Americans to get involved. People aren't investing a lot of time in something they don't believe they have any control over. People today are more inclined to come home from work, throw a Stouffer's frozen beef stroganoff dinner in the microwave and sit at their computer for four or five hours surfing the 'net as opposed to writing angry letters to their legislators.

"The public has detached themselves from political news," Vargus observes in a statement that makes this political columnist sweat.

Now let's move to Gov. O'Bannon.

The administration is off to a rocky start in untracking its agenda, partly due to circumstances out of control and partly because of its own making. Constitutionally, Indiana's governorship is very weak. A simple majority for instance, can override a veto. O'Bannon won an upset election last fall, concentrated on creating an administration in November and December, and inherited an overwhelmingly GOP Senate and a split 50/50 House in January.

Still, on the night of his State of the State address, both Republicans and Democrats were talking about going along with many of his main thrusts: immediate property tax reform, deregulation of education and campaign finance reform.

What's happened? The main thing is that O'Bannon is universally seen as a "nice guy." And he has surrounded himself with an administration of "nice guys." There is no enforcer in the administration; no guardian of the sacred legislative game plan.

When Gov. Evan Bayh found his party wavering on important legislation, he didn't hesitate to go into the Democratic caucuses and use a little profanity (those present say he looked as if he had practiced it in front of a mirror), as well as pound his fist on the table. This frightened legislators.

There hasn't been any table pounding to strike fear in the hearts of legislators this time. O'Bannon did turn up the heat late last week, but in his own civil way. He became the first governor to testify before a conference committee since Gov. Bob Orr in 1987. He showed up in the rotunda with 150 cops to push for his call for 500 new police officers. As Republican Chairman Mike McDaniel noted, "They are all such nice people and they haven't shown the

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Joe Pearson eyeing a 5th CD challenge

HORSE RACE

TRENDLINE: Congressional races in Southern Indiana are crystalizing with the endorsements of Brian Hasler in the 8th and Baron Hill in the 9th. Horse Race gives a status report on all Indiana races.

■ ■ ■

■ **1ST CD:** U.S. Rep. Pete Visclosky is not expected to have any meaningful competition. *Safe D.*

■ **2ND CD:** Democrats will attempt to find a competitive opponent for U.S. Rep. David McIntosh. The 1996 Democratic nominee, is weighing the race. *Safe R.*

■ **3RD CD:** State Sen. Joe Zakas is expected to weigh another challenge to U.S. Rep. Tim Roemer. Other potential Republicans include Michigan City Chamber President Brad Allamong, and Elkhart stockbroker Dan Holtz. *Leans D.*

■ **4TH CD:** Democrat John Walda, the 1978 and 1980 nominee, is weighing the race and would give U.S. Rep. Mark Souder a competitive race. If Walda doesn't run, look for former legislative candidate Geoff Paddock to consider a run, unless he opts for Secretary of State. *Leans R.*

■ **5TH CD:** Joe Pearson, executive director of the Indiana Department of Agriculture and a nephew of 1984 gubernatorial nominee Wayne Townsend, is looking into a challenge to U.S. Rep. Steve Buyer. We see this race as a real uphill battle for the Democrats in a sprawling district that includes six media markets. *Safe R.*

■ **6TH CD:** This is one of the most Republican districts in the United States. Unless U.S. Rep. Dan Burton gets indicted or makes a total fool of himself during his investigation of the White House this seat won't change hands. If that does occur, Burton's downfall would come in the Republican primary and not the general. *Safe R.*

■ **7TH CD:** State Rep. Susan Crosby is taking a look at challenging freshman U.S. Rep. Ed Pease. Another name that has come up is SEMA director Pat Ralston. Either way, Pease will be almost impossible to defeat. *Safe R.*

■ **8TH CD:** The race is virtually ready to go. We expect Democrat State Rep. Brian Hasler to challenge U.S. Rep. John Hostettler. The only glitch would be Jonathon Weinzapfel's entry. We think there will be enough Democrats to dissuade him. While we believe the national environment will favor Republicans, the volatile nature of the district, Hasler's credentials and another major role for organized labor will make this a donnybrook to the end. *Toss-Up.*

■ **9TH CD:** Democrats have coalesced around Democrat Baron Hill in Indiana's only open seat to date. On the Republican side, HPR expects former Lugar aide Kevin Shaw Kellems to announce his candidacy in May, after he graduates from Georgetown University. We see him the front-runner in a race against 1994 and 1996 nominee Jean Leising, and anti-abortionist Michael Bailey. While Hill will be able to raise a lot of money, has a good speaking style and is a tireless worker, we think the national environment might work against him. If it's a Hill-Kellems race, it could go down to the wire. *Toss-Up.*

■ **10TH CD:** Republican 1996 nominee Virginia Blankenbaker is expected to try again against U.S. Rep. Julia Carson. She will have a feisty primary challenge from jeweler Gary Hofmeister and, possibly, 1994 nominee Marvin Scott. Carson goes into this race with the incumbent's advantage, although further health problems or a bad national dynamic for Democrats could make her re-election a tough battle. *Leans D.*

TICKER TAPE

month. "I am generally inclined to run," Kellems told HPR by phone. "But there is no pressure to make a snap decision because there is little movement in either party, nor momentum for the candidates who have declared their intent. I look forward to returning home next month and making a final decision."

Indiana Democrats are busy trying to recruit a female candidate to challenge in 1998 Auditor of State Morris Wooden, whose office has been mired in allegations of sexual harassment and other improper conduct.

Fort Wayne Journal Gazette columnist Sylvia Smith reported this conversation she had with U.S. Rep. Mark Souder about fellow Hoosier, Rep. Dan Burton. Smith wrote up the conversation like this:

Me: Is he the appropriate person to be heading this committee?

Souder: Nice try (laughs).

Me: Well -

Souder: I understand the question, and I'm not going to answer it. I mean, I'm not trying to -

Me: That answers it, Mark. If I quote you on that, it answers it. So if you want to say something different -

Souder: I think that Dan Burton isn't the ideal per-

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Baron Hill preparing to run a million dollar campaign in '98

HPR INTERVIEW

" I will be able to save my resources to run a campaign in what I expect to be a bruising battle in the fall of 1998...."

- Baron Hill

INDIANAPOLIS - Baron Hill tells a great story from his brilliant basketball career with the Seymour High School Owls.

Seymour is paired up against a tough Floyd Central in the Regional Finals back in the early 1970s. Prior to the game, famed psychic Jeanne Dixon had predicted a high school gym would blow up in Southern Indiana. The Owls are up by 18 points heading into the fourth quarter. Suddenly, an announcement: a bomb threat has been called in. Everybody is to exit the building for the next 30 minutes.

Of course, no explosives in the building. The only bomb was the Seymour Owls, who watched Floyd Central explode for 42 points and earn a stunning upset.

After Hill had announced his candidacy for the Democratic 9th CD he ran into a Floyd Central grad who had been at the game. "Oh, I remember you," she chuckled. "And I'll vote for you."

For the second consecutive weekend, Southern Hoosier Democrats met and virtually annointed a Congressional candidate. Last week, it was Brian Hasler. And now the 1971 Indiana Hoops All-Star, Baron Hill.

HPR: How did the 9th CD endorsement come about?

Hill: A lot of phone calls. I made, probably, 350 phone calls all around the district. From the time Lee had made his announcement, up until this weekend, I have been traveling the district talking not only to party chairmen but precinct committee people asking for their support. So, I think it's a combination of Lee's support for my campaign and some grassroots type of phone calls and visitations led to the endorsement.

HPR: How much lead time did you have prior to Rep. Lee Hamilton's retirement?

Hill: A month or two. Lee had called me and asked me if I would be interested and I told him I would. He said he didn't think he was going to run again. To be candid with you, he's been thinking about this for several years.

HPR: On the day of his announcement, both Hamilton and Gov. O'Bannon all but endorsed you. Were either of those surprises?

Hill: The Frank O'Bannon comment was a surprise, because I had not talked to Frank about it and I was delighted to hear those kinds of words and I'm very grateful to Frank for it, that those would be his first thoughts.

HPR: Is the primary field now cleared?

Hill: I expect to have some kind of opposition in the primary. It's my desire to reach out to people who are in elective office now, or have been, and gather their support. That, I have. The Doug Englands of the world and people in elective office now, whether they are in the legislature or are mayors, have thrown their support my way and I'm grateful for that. I will be able to save my resources to run a campaign in what I expect to be a bruising battle in the fall of 1998.

HPR: The 9th CD has changed over the years. Lee Hamilton says it is more conservative now. In your opinion, how has it changed?

Hill: The people of the 9th District are conservative, but they're not extreme. There's a difference. The people are common sense conservatives. They believe in fiscal restraint and they believe in a balanced budget, but they don't want it balanced on the backs of Medicare recipients. They feel they didn't cause the rise in the deficit and they shouldn't have to pay for it. That's my sense. When you talk about conserative Democrats, that's the kind of Democrats they are.

HPR: How competitive is the 9th? Is it, say, in the 52-48 percent range for Democrats?

Hill: I won the 9th District back in 1990 (v. Sen. Dan Coats) and I won with about 52 percent of the vote. Having said that, I also won it without any kind of television in the Louisville and Cincinnati TV markets. My guess is that the bottom line runs about 52-48. If you're a Democrat that does his work, that you're going to get 52 percent of the vote. I expect to spend some money on the Louisville and Cincinnati TV markets so I expect to get more than 52 percent.

HPR: How much money will it take?

Hill: It's going to take a lot of money, there is no question about that. I do believe the Republicans will see this as an opportunity for them. It will probably take a million dollars for me to be competitive.

HPR: Can you raise a million?

Hill: Yeah, I can raise a million dollars. But money isn't everything. If money was everything, Steve Forbes would be president of the United States. It's important for me to do the other things to get elected.

HPR: Care to be predict who Jean Leising, Kevin Kellems or Michael Bailey, will emerge to run against you?

Hill: No. I can't predict what's going to happen there at all.

HPR: How do you gauge their strengths and weaknesses?

Hill: I don't really know anything about Kevin, so I can't really comment on him at all. I don't know the man or what kind of positions he holds. Jean and Mike Bailey, from what I know of them, and I don't know very much; I know basically that Mike Bailey ran against Lee Hamilton and put some pretty vivid and extreme television commercials together on abortion. I know what Jean's position is on some of these issues as it relates to abortion, where she doesn't want to give any kind of exception, even when the life of the mother is at stake. I just think Jean Leising and Michael Bailey are extreme candidates. I don't think they are in the mainstream at all with the people in the 9th District. I think that I am. If one of those two candidates emerges, there are going to be very distinctive differences.

HPR: The Republicans are already talking about how you shifted your abortion position between the time you were in the legislature and your 1990 Senate run. What is your perspective on that?

Hill: You remember the Webster decision?

HPR: Yes.

Hill: The Webster decision delegated some of the responsibilities to the states as it relates to abortion. That was really the kind of thing that should have caused all people running for elective office to decide where they were going to be on the abortion issue. Up to that point, there was no reason to take a position one way or the other on abortion. That was the first time as an elected official that I had to decide, "What are my feelings about this particular issue?" So I spent a lot of time thinking about it. If the Republicans want to portray it as a flip-flop; it was time. Where am I on it? The position I have today, which I will repeat, is that I am not pro-abortion. I am opposed to federal funding for abortion. I'm on record in the legislature as supporting parent's rights if their minor child is contemplating an abortion. I'm on record in the legislature favoring a ban on gender-based abortion. I'm opposed to partial birth abortions except when the life of the mother is at stake or her health is at risk. Beyond that, I believe government needs to keep its nose out of this.

HPR: Will it be an issue?

Hill: You cannot win a congressional seat based on the abortion issue. There are other issues people want to hear about. People are concerned about their jobs. They want access to be trained for the new technology. They are very concerned about the education of their kids and the future of their children.

HPR: Will we see the kind of relationship between you and organized labor that we saw in the 8th CD last year?

Hill: My views for people who work in the factories are compatible with what they want to achieve. They want security. I'm also a businessman and I'm pro-business. In order for working people to prosper, we have to have a good business climate. I'm for both. I'm not extreme on this. I want to do a balancing act. What is good for business in order for it to provide good paying jobs for working people.

HPR: Are you worried about the national backdrop with scandals in 1998?

Hill: I can't worry about that. You can't predict those kinds of things. I just do what I have to do.

HPR: When people look at your record in the legislature, what are the highlights?

Hill: I think what people will get is a modern-day Lee Hamilton. They'll find I'm a moderate, common sense Democrat that is reflective of the way people in the 9th District think.

TICKER TAPE

son to run this committee. Dan Burton was ranking member and coming in as chairman Dan Burton has changed in many ways and is doing better than many people expected. And we're watching very careful, but many people are concerned but very hopeful that it'll go well.

Me: Do you put yourself in that category?

Souder: Yes. And you asked me the question, and the reason I can't answer it is I'm not prepared to say that he isn't the right person to be heading it, but I'm not prepared to say that he's the ideal person to be heading it, either. I'm hoping we can pull out of it, but we are concerned.

Baron Hill told 9th CD Democrats who endorsed him last Saturday, "It's good to be back in the groove again. I'm not going to let you down, folks. I'm going to win this race." (Curt Kovener, Crothersville Times). Kovener reported that two labor endorsements - from the AFL-CIO and the Operative Plasterers & Cement Masons Union - both indicated pending endorsements.

Salem attorney Douglas Leatherbury was endorsed by 9th CD Democrats in his bid for the 1998 Clerk of the Courts nomination.

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TICKER TAPE

State Rep. Jon Padfield is going to be out of a job, The Kokomo Tribune reported, but not in the legislature. Padfield found out he is being cut by Delco Electronics. "Delco is downsizing, and my department is one that has taken a hard hit," Padfield told the Tribune. "I've just sent some resumes out and I'm not real panicked or concerned about it right now. I hope to keep my seat."

HPR Publisher Brian Howey will appear on WFWA-TV's "Primetime 39" at 8 p.m. April 25 to talk about the Indiana General Assembly. That show will be hosted by WBNI-FM's Bruce Haines. Howey will also guest host two WIBC-AM (1070) late night talk shows from 9 to 11 p.m. on Monday April 21 and Friday April 25. Howey's guest on Friday will be U.S. Rep. Dan Burton.

Burton continues to be a lightning rod for news - both good and bad. TIME magazine listed Burton as one of the "winners" in its "Winners & Losers" column, along with "The Founding Fathers" (when the line item veto was judged unconstitutional) and FDR. As for Burton, TIME said, "Forget that faux bipartisanship. Dan issues 101 subpoenas, all aimed at the White House."

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COLUMNISTS ON INDIANA

Dave Kitchell, *Logansport Pharos-Tribune* - In Dutch, the name "Rusthoven" roughly translated means "rest home." Judging by the pace that Peter Rusthoven is pursuing in his quest to defeat Evan Bayh in the 1998 race for the U.S. Senate, even he admits that resting at his own home would be good at this point. The Indianapolis Republican has made stops at 31 Lincoln Day dinners or GOP gatherings in the last six weeks, including one in Logansport. The 45-year-old Rusthoven brings a fresh face to the GOP plate. "He's personable and likable, but whether that translates into something against the proverbial six-ton gorilla in Evan Bayh, I don't know," said (IU pollster Brian) Vargus. One problem facing Rusthoven, Vargus says, is that Bayh has been able to position himself as a centrist with mobility. Although Clinton appears to face problems that could blossom into political turmoil by 1998, Vargus says that may not impact Bayh. "I think Bayh benefits from a number of things - his attractive personality, his very strong campaign abilities and his very strong connections. Rusthoven not only has to make up the money, but he also has to make up the record. It's kind of hard to get known unless you get out there quick."

Sylvia Smith, *Fort Wayne Journal Gazette* Hoosier Republican Rep. Dan Burton is the absolute worst choice to head a congressional investigation into campaign fund-raising abuses. He is tainted with allegations of his own. A grand jury is investigating a lobbyist's description of being "shaken down" by Burton for a $5,000 political donation. He thinks he could get AIDs by eating soup in a restaurant. His sense of self-importance is legend. He carries grudges and believes in retribution. His reputation on Capitol Hill is of someone who views life from a narrow political - partisan - focus. Rep. Mark Souder, hardly a Burton critic, said he is worried about the committee. "I don't think we're tactically handling it very well," he told me. "By polarizing it so hard, so early, it's likely to stay this way all the way through."

Gerry Lanosga, *Indianapolis News* - How about those cheeky folks trying to persuade the National Collegiate Athletic Association to move its headquarters to Indianapolis? They went and told the NCAA, which is on the prowl for some fancy new digs, that they would have to put up $50 million to move the organization out of Overland Park, Kan., to our own White River State Park. There are words to describe this sort of thing. "Optimism," perhaps. Chutzpah," certainly. But why waste syllables? "Gall" works just as well. First, there are the 300 jobs the NCAA's headquarters bring to the city. Let's see, 300 into $50 million works out to about $166,000 per job. If that had been the amount needed to buy the United Airlines maintenance jobs a few years back, it would have set us back more than $1 billion instead of $300 million.

Stuart Rothenberg, *Rothenberg Political Report* - Months before the 1996 general election, it was clear that the Democrats had a shot at taking over the House of Representatives. As we said repeatedly, the key question was whether voters - fearful of "Republican extremism" and concerned about the GOP's positions on Medicare, the environment and education - would turn back to the Republicans when their incumbents hit the campaign trail, emphasized their legislative accomplishments and warned voters about giving the president and his party a "blank check." This year, the Democrats aren't likely to have the same advantages that they did last cycle, but the Republicans continue to have short-term problems, which could hamper their chances of increasing their numbers in the House. First, House Republicans don't know whether to fall in line behind the leadership or attempt a coup d'etat against Speaker Newt Gingrich, and it is far from certain that they will straighten themselves out before the 1998 elections. The party has no obvious heir to Gingrich. All we can say at this point ... (is) we would expect only minor changes in the House, with the Republicans probably better positioned to pick up a small handful of seats.

Red Coats are coming for Bayh; homestretch for GOP Senate race

PERU - The Republican Senate race is chugging along. At the Miami County Lincoln Day dinner Friday night, there was the only declared candidate, Peter Rusthoven, given the mike for an introductory address. "I'm glad to be in a county where it takes 20 minutes to introduce the Republican office holders," Rusthoven began. "The race is not about the past; it's about the future. It will be watched by every analyst. You and I are absolutely going to beat Evan Bayh."

Many of those present seemed impressed by Rusthoven, who delivered his rallying cry: "The race is not about the past; it's about the future." One Miami County Republican remarked, "I believe he may give Evan quite a run for his money."

Keynoting the Miami County dinner was U.S. Rep. David McIntosh, the supposed front-runner for the right to face Bayh, and who is a reluctant suitor. McIntosh reiterated his stance to HPR: he hasn't ruled it out, but he is not committed to making the race.

McIntosh went on to give a memorable speech, doing the Liddy Dole thing by taking the mike out of its holder and wading into the congregation to give, in essence, a sermon on Revolutionary Republicanism. "He said the vision of the Republican Party is "built on freedom, the family and the future." He talked about religion, saying at one point, "It's time we got away from freedom from religion to freedom for religion." His family angle was this: "Government must do what families must do, balance the budget and live within its means. It's time to pass a balanced budget amendment."

And McIntosh parted with a Benjamin Franklin story. When the founding father was leaving the Constitutional Convention, a woman asked him, "What sort of government have you given us, Mr. Franklin, a Republic or a monarchy?" and Franklin replied, "A Republic, if you can keep it."

Last Thursday, three of those interested in the nomination - Rusthoven, Secretary of State Sue Anne Gilroy, and Fort Wayne Mayor Paul Helmke (by phone) - appeared on WIBC-AM in Indianapolis with political reporter Eric Berman. All three made their signature stances in this race so far. Rusthoven is in and raring to go; Gilroy is wavering and while reaping much publicity, is seen by some as indecisive; and Helmke, who is still looking at it.

98 WATCH

The next day, former Gov. Evan Bayh received a dandy of prize. He was named the honorary Red Coat recipient from Fort Wayne's Mad Anthonys Golf Tournament, with the announcement made by an old ally, local advertising executive Tim Borne. Allen County Republican Chairman Steve Shine was indignant. "That is blasphemous," Shine retorted. Reminded that Vice President Dan Quayle had received the honor - worth a megaton of local exposure - Shine said that occurred when Quayle was in office and not running for one the next year.

Last Monday, Gilroy showed up at Valparaiso High School, was preparing to speak to a foreign policy class when the fire alarm went off, and the building erupted into characteristic chaos. "What a tremendous welcome," Gilroy said when things finally settled down (Jeni Bell, The Times).

As Bell reported, "When Gilroy did get her chance to talk to students, she gave them a lot to think about. "I'm not sure that for you and for your children, tomorrow will be better," she said, raising the question that the "American dream" is in jeopardy.

The undercurrent to all of this is that McIntosh is, indeed, out; Rusthoven is getting antsy for a cleared field; Gilroy is truly undecided, but signals to some top Republicans have them believing she will run for re-election; and Helmke is missing in action.

HPR's gut feeling on this is that the GOP field will soon clear for Rusthoven.

TICKER TAPE

Chicago Tribune columnists Hevrdejs and Conklin reported an Iowa poll conducted for Lamar Alexander that went like this:

Colin Powell, 18 percent
Dan Quayle, 17 percent
Jack Kemp, 14 percent
Lamar Alexander, 12 percent
George W. Bush, 9 percent
Steve Forbes, 5 percent

Colin Powell told Barbara Walters last Friday on ABC's 20/20 that he has no intention of running for any political office.

New Albany Mayor Doug England defended his "Mayor's Club" committee which is seeking funds. "Last year my wife and I gave out $10,000," England said of campaign contributions and gifts to organizations like Little League. "The money will be used for whatever I need to do for economic development and political reasons," England told HPR.

Indiana House Democrats believe it is payback time. They've tied a restoration of the prevailing wage law in with their plan to cut taxes for homeowners and renters. In 1995, Republicans tied prevailing wage reform in with an excise tax cut. "We're talking about 60,000 people who took a big cut in their wages ... and there is no savings for it," said

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TICKER TAPE

Hosue Speaker John Gregg. "It was just a way for them to get even with people they didn't like."

Fifth CD vice chairperson Bettie Rendel is hospitalized in a continuing care at Dukes Memorial Hospital in Peru.

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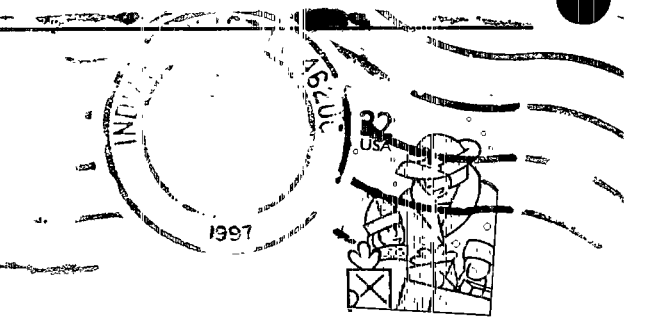
kind of resolve to fight the fight that you demand to get the governor's program through. So Republicans and Democrats ignore him. Mark this one up as a learning experience."

The explicit danger for O'Bannon is that his administration's cornerstone agenda - dramatic, across-the-board tax reform - will be studied (and studied further) between now and December 1998. A downturn in the economy or a Blue Ribbon Commission made up of an array of competing special interests that can't come to a consensus sets the stage for a political catastrophe when it comes time for his 2000 re-election campaign. The backdrop to this is that skyrocketing property tax bills in Lake, Vanderburgh and Hendricks counties - to name just a few places - show signs of turning into a statewide maelstrom on the property tax issue.

Finally, there is the pay raise and tax issues. Bigwig legislators see a $2 billion surplus and an election 18 months away and figure they can slip in a 36 percent pay raise because the cynical public is disconnected. "I will be eager to see what the public's reaction is to that when the legislature goes out," said Vargus.

On the move in the Senate to raise taxes, McDaniel notes that the current fiscal leaders - Sens. Morris Mills and Larry Borst - were in place when the state had to deal with huge shortfalls brought on by the severe recession of the early 1980s. "That's what they're struggling with right now," said McDaniel. "They're going to be very cautious to keep cash reserves on hand. But I would completely agree with you that it is very difficult to justify a tax increase."

Of course, there's still a week left for the mystery, the riddle, the enigma to play out as the luncheon ice sculptures melt, the cellular phones click away, and traditionally fiesty Hoosiers doze in a catatonic state of indifference.



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2625 N. Meridian St.
Suite 1125
Indianapolis, IN 46208

Jack E. Howey
948 Orchid Pl.
Peru, IN 46970