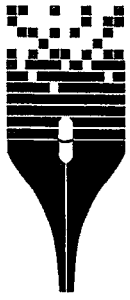
THE HOWEY POLITICAL REPORT



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Brian A. Howey
editor and publisher

The Howey Political Report **Office: 317-254-1533**
PO Box 20877 **Fax: 317-254-2405**
Indianapolis, IN 46220 **bhowey@nuvo.net**

Business office: 317-253-0921

Washington office: 202-775-3242

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

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

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"QUOTE" OF THE WEEK

"This means I'm going to have to open another investigation about obstruction of justice...."

- U.S. Rep. David McIntosh, after receiving a letter from the White H use counsel acknowledging a tardy mem n the White H use data base issue.

Espich's fee stance a warning shot

Battle with O'Bannon over taxes has commenced

UNIONDALE - A fascinating minuet involving State Rep. Jeff Espich and Gov. Frank O'Bannon gives insights as to how a classic political drama will be played out between now and November 2000.

At stake are the epic issues of tax reduction and system overhaul, the crucial battle for control of the split Indiana House in 1998, and the footing Gov. O'Bannon will have as he seeks re-election two years later.

O'Bannon is counting on his Blue Ribbon commission on tax reform - which is supposed to issue its report in December 1998 - to become his centerpiece legislation in 1999 and be his re-election thematic capstone. But seated conspicuously on the commission is Rep. Espich, the ranking Republican on the House Ways and Means Committee. Espich is poised to cause considerable mischief.

His actions since September suggest he won't hesitate to do so. During the 1997 legislative session, Espich said he helped Democratic Sen. Mike Gery draft legislation for a gas tax hike with funds earmarked for road construction. He also helped on language that would raise BMV fees. Espich told HPR, "In any form, I did not vote for the budget or the language that allows for this authority. What I did do was Mike and I dabbled in the language for the BMV fees in order to develop two other side issues."

Indianapolis Star editorialists saw it differently on Oct. 30. "Five months ago (Espich) said he didn't think Hoosier taxpayers would mind paying a little more for a driver's license if it meant they would get better roads. These days, Espich is criticising Frank O'Bannon for increasing fees," the *Star* opined.

Espich told HPR, "They're trying to play me as flip-flopping; making me look like the bad guy. That's good politics. They've outdone me on the spin of the issue."

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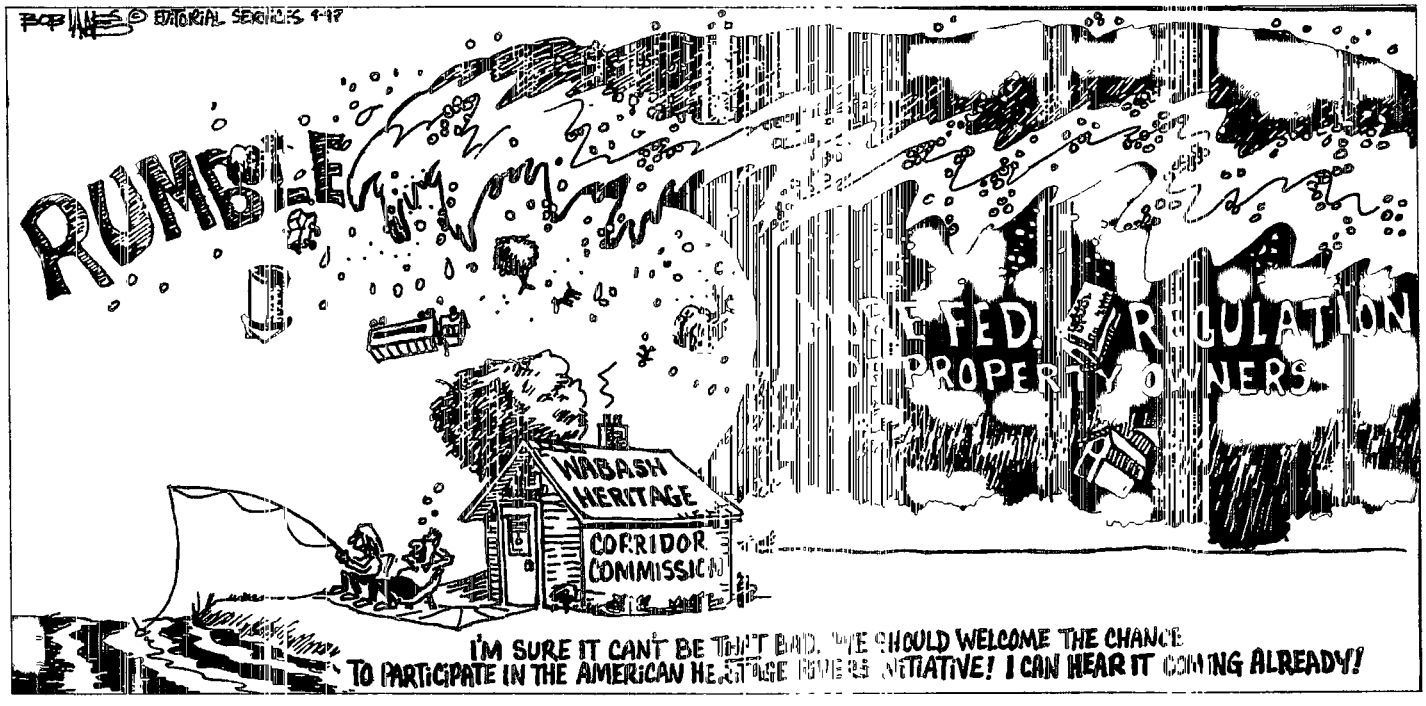
Bob Lang



TICKER TAPE

CORRECTION: In October, HPR wrote of an unnamed candidate for the 94th Indiana House District who had a felony conviction. For the record, that person does not have a felony conviction.

PLAY OF THE WEEK: State Rep. Jeff Espich's targeting of Gov. O'Bannon on the BMV fee hike was as about as revealing a piece of partisanship HPR has witnessed in its three plus years of existence. As our cover story indicates, it sheds dramatic light on what is at stake and how the various parties and players will be maneuvering over the next three years.

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Espich, from page 1

Espich's actions can't be of any comfort to the O'Bannon administration or House Democrats. He is in a position to disrupt any semblance of a unified Blue Ribbon front on tax reform in 1998. Espich acknowledges that Republicans must put forth a property tax proposal in the 1998 session. If the GOP wins the House, as Ways and Means chairman he could kill any O'Bannon proposal that would be designed to enhance his 2000 re-election.

As for the Blue Ribbon commission and his role, Espich said, "It will be difficult. There is no indication the governor will support what the commission will approve. It makes it hard for legislators to get out in front of the issues if they don't know what the governor is saying."

Espich said he would not support any legislation that includes tax increases. That is a Catch-22 position to take. If property taxes are to be reduced, revenue would have to be raised in another area to make up the loss.

"Secondly," Espich said, "If it gives local option taxes, then I might well be a supporter."

Espich acknowledged HPR's contention that the BMV fee controversy, GOP-propelled tax issues in 1998, the Blue Ribbon commission and the 2000 governor's race are all interlocked.

"Sure they are," he said. "The governor certainly didn't make any friends with (Sen.) Larry Borst this past month." Espich had a chuckle over that one.

Not only will House Republicans be promoting tax relief in the 1998 legislative session, they could very well get out in front of the governor's Blue Ribbon commission in October or November 1998 - right before the critical election. The tax issue, Espich said, "is more critical for the governor. But it's important for Republicans."

Espich added that because Democrats will have more at stake in the 1998 and 2000 elections, they will attempt to pour more resources into some of the 18 competitive races HPR identified in October.

"I'm fearful of that as a Republican," Espich said. "I think they may have the ability to raise more money than we do. They have the governor and Evan Bayh."

Republicans will counter on the legislative fund-raising front with support from party rising stars like U.S. Rep. David McIntosh, a possible gubernatorial candidate in 2000.

"But everything comes together for my party to be out front on the property tax reform issue," Espich said.

Gilroy's announcement gigs seemed ... gubernatorial; related notes on 2000

HORSE RACE

TRENDLINE: Secretary of State Sue Anne Gilroy's re-election kickoff this past week included meetings with individual reporters, a nostalgic visit to her hometown of Wallace (which got Saturday TV news coverage in Indy), a state fly-around to major markets, and a big shindig at the Downtown Hyatt on Monday (more TV coverage). It was an announcement schedule worthy of a gubernatorial race. And, perhaps, that's what it really was, although Gilroy is denying it. Since Texas Gov. George Bush practically annointed Gilroy as the 2000 frontrunner last August, the attempt at perception is that Gilroy will have gathered so much steam in her re-election bid (while possibly helping to elect a Republican Speaker of the House in case of another split) that she will represent a juggernaut by 2000. The reality is that Stephen Goldsmith and U.S. Rep. David McIntosh, along with Paul Helmke if he fails in his Senate race, will be taking a long hard look at 2000. ✍

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■ **Secretary of State Sue Anne Gilroy:** At the Allen County Republican Bean Dinner in Fort Wayne in late October, Gilroy shared the head table with 1996 presidential nominee Bob Dole and county Chairman Steve Shine. The symbolism there is important. In many quarters of the GOP, the faithful see in Gilroy a candidate who can address the gender gap and appeal to the soccer moms in a bid at retaking the governorship. While the secretary of state's office has been a modern jumping point to the governorship, it is not a policy-driven position. Only Evan Bayh has turned the office into a high enough springboard to move up the foodchain. Seasoned pols like Larry Conrad and Joe Hogsett failed. Gilroy has shown excellent initiative in acting as a party leader and tangling with Gov. O'Bannon on campaign finance reform and with Democratic Executive Mike Harmless over education. She readily acknowledges she cannot take her re-election for granted. The danger for Gilroy is the perception that she is running for something else and how she handles the "Hogsett Question": Are you going to serve a full term? ✍

■ **U.S. Rep. David McIntosh:** Watch the congressman's Indiana Faith and Family PAC and how it raises money for Indiana General Assembly candidates. McIntosh has been a prolific federal fund-raiser. Now he will be working the state. And there is a reason McIntosh is so interested. In order to move up in the U.S. House, he had to be a "team player" and certainly wasn't last summer when he participated in an attempted coup d'etat against Newt Gingrich. Those close to McIntosh say he finds working for policy accomplishments in Congress cumbersome, expensive and disappointing. From a policy standpoint, which he loves, being governor of 5.5 million people would be the perfect laboratory for his intellect and problem-solving skills. It would also be a much more practical springboard for the presidency than as a member of the U.S. House. And remember: there's that little baby in the nest now. Those are reasons why McIntosh will give the 2000 gubernatorial race serious consideration. ✍

■ **Mayor Stephen Goldsmith:** Read Mark Schoeff's piece (pages 4 and 5) on the mayor in our nation's capital and draw your own conclusions . Horse Race senses he wants a rematch with O'Bannon. One Eagle Scout can tell you about another: Being denied the great quest and not giving it another shot is something that will stick in your craw for a lifetime. Just ask Dick Lugar. ✍

■ **Mayor Paul Helmke/Peter Rusthoven:** Whoever wins the right to face Evan Bayh and doesn't bring a big enough slingshot in the 1998 Senate race will automatically have to look at the gubernatorial race in 2000. That is unless the race against Bayh is so pathetically anemic or embarrassing that it reduces the nominee to a mere historical footnote, like Jack Wickes. ✍

TICKER TAPE

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The Democratic Congressional Campaign Committee (DCCC) has singled out two Hoosier political candidates among its top five recruits for the 1998 election cycle. In a satellite press conference Oct. 30, the DCCC featured Evansville City Council member Gail Riecken, who is challenging Rep. John Hostettler in the 8th district, and Baron Hill, who will run for the 9th district seat being vacated by retiring Rep. Lee Hamiliton. The DCCC event involved Riecken and Hill talking via satellite to about 50 reporters, who were watching in Washington. The candidates spoke from the campus of Indiana University in Bloomington. They introduced themselves and explained why they were running before taking questions from the assembled scribes. The event was replayed on C-Span and C-Span II. The DCCC touted Riecken and Hill as two of their best shots to help Democrats regain control of the House of Representatives, which was captured by the GOP in 1994. Democrats must win 11 seats to put themselves back in the majority. The preponderance of Hoosiers in the DCCC lineup demonstrates the central role Indiana will play in upcoming congressional elections. "I think it says a lot about the quality of candidates in those two races," said Chris Sautter,

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Goldsmith pushing a free market approach to urban government in DC

By Mark Schoeff Jr.
Howey Political Report

WASHINGTON - Less than a year after losing his gubernatorial campaign and several months after speculation that he would give up his post as mayor of Indianapolis, Stephen Goldsmith is continuing to cut a distinct profile as a national leader in urban policy.

His proselytizing about reviving cities by unleashing the power of capitalism and individual empowerment also has provided a way for Goldsmith to strengthen his political prospects.

The Indianapolis chief executive has been especially active in Washington in the past month. In late October, he announced the formation of the Center for Civic Innovation (CCI). Sponsored by the Manhattan Institute, the CCI is designed to promote a free-market approach to urban governance, which is characterized by practices like competitive bidding for city services; devolving authority to the neighborhood level; promoting school choice; and instituting community policing. Goldsmith is serving as chairman of the CCI advisory board.

While in Washington, Goldsmith hawked his new book, *The Twenty-First Century City: Resurrecting Urban America*, an urban renewal manifesto.

His October trip to Washington included a meeting with House Speaker Newt Gingrich. He also sat down with the *USA Today* editorial board, *Washington Post* political columnist David Broder, and Associated Press reporter Ron Fournier. He made several appearances on talk radio shows.

In a September visit to Washington Goldsmith outlined urban renewal themes at the first International Conservative Congress, sponsored by a host of conservative think tanks and publications.

Goldsmith has received praise from denizens of the nation's capital. Goldsmith "may be the single most innovative mayor in the country," said Gingrich.

Visits to Washington are a staple of Goldsmith's political career. It's not unusual for the mayor to come here, said William Kristol, former chief of staff to Vice President Quayle and editor of *The Weekly Standard*, a conservative magazine. "He's a guy who's interested in ideas and has friends in the different think tanks. It's nothing new for him to be coming to conferences at Cato (Institute) or Heritage (Foundation)."

In his latest foray, Goldsmith advocated an equation he has promoted for years: competition equals higher quality services for all citizens, especially the poor.

"You can create wealth and opportunities in cities, you don't need to rely on handouts" from the federal government, Goldsmith said at the Oct. 23 CCI launch. "There are a group of mayors who are still trapped in big government policies. Another group of us believes the marketplace is the answer."

Experts point to Indianapolis as a model for privatization. In more than five years as mayor, Goldsmith has forced 75 city agencies to compete with the private sector for the right to deliver services such as managing the airport, jails and waste water. Only police, fire and zoning operations are exempt. Privatization has cut the cost of city government by about 25 percent, spurred a one-third reduction in the city payroll and saved about $240 million since 1992.

Such success has generated more than 3,000 inquiries for information about the Indianapolis experience and more than 400 public officials have visited the Indiana capital, Goldsmith said. The outpouring of interest gave Goldsmith the idea for establishing CCI.

Goldsmith touched on marketplace themes later in the day on Oct. 23 at a Capitol Hill press conference featuring several congressman and Gingrich. They were advocating a bill that would allow parents to choose the schools their children attend. Goldsmith said that the monopoly enjoyed by the public schools system hurts the poorest people because they don't

CONGRESS WATCH

"Losing one race doesn't disqualify you from a bright political future. Nixon lost a gubernatorial race. Newt Gingrich lost two congressional races. Bill Clinton lost a gubernatorial race. What route he takes is hard to predict...."

- William Kristol on the future of Indianapolis Mayor Stephen Goldsmith

have the resources to buy their way out of monopoly by moving to the suburbs.

The bill "is not an attack on public education," Goldsmith said. "It recognizes inherently that monopolies are not very effective and they need to be stimulated by competition. Every time we have stimulated a monopoly with competition, the remaining part of the public operation has gotten better, not worse."

Urban Renewal Boosts Prospects

Political pundits say Goldsmith's focus on urban renewal successes will add momentum to his political future.

"Having a record as an effective executive counts for a lot these days," said Kristol. "People want results, and Goldsmith is widely viewed as having been a genuinely successful and innovative mayor. I imagine he sees the response that he gets and he sees the response that (New York Mayor Rudolph) Guiliani gets and he figures that being an effective, moderately conservative mayor of a pretty large city is a good thing to be doing. And I'm sure he's trying to figure out where to go from here."

A Republican political consultant who helped schedule Goldsmith's most recent visit to Washington said that the emerging trend to return power from Washington to the state and local level has benefitted Goldsmith.

"It's bringing star quality to people in local government," said Greg Mueller, president of Creative Response Concepts and former communications director for Pat Buchanan's presidential campaign. "He is a rising star. If there is a mayor in Republican circles and, frankly in Democratic circles, who is well known in this town, it is certainly Mayor Goldsmith." Mueller said that Goldsmith, like Buchanan and former GOP presidential candidate Steve Forbes, has taken his message to communities across the nation.

A Democratic consultant, however, said that the privatization message Goldsmith carries around the country backfired on him at home in his 1996 for governor. Critics portrayed competitive bidding of city services as a means for Goldsmith to curry favor with businesses that would then contribute to his campaign.

"Democrats were able to frame the debate on privatization in a way Goldsmith didn't like," said Chris Sautter, a Democratic political strategist. "It's why he lost Indianapolis in the gubernatorial campaign."

In a *Washington Post* article, Goldsmith pointed out that he has reduced the size of middle management in city government in order to reduce overhead and enable city unions to more effectively compete to offer services. Since 1993, city unions have won 37 of 86 contracts offered by Indianapolis. City officials also say the bidding process is transparent and the public would notice irregularities.

Goldsmith isn't analyzing where his urban government success may lead him. "I don't think we've thought that far down the line," he said.

Goldsmith's upset loss to Frank O'Bannon in the governor's race isn't necessarily a political death knell for the mayor. "Losing one race doesn't disqualify you from a bright political future," Kristol said. "Nixon lost a gubernatorial race. Newt Gingrich lost two congressional races. Bill Clinton lost a gubernatorial race. What route he takes is hard to predict."

Sautter said Goldsmith may be considering another statewide race in 2000. "I think he's trying to rehabilitate himself for a future run. He's been able to project himself well, perhaps better in the national press than in the Indiana press."

Goldsmith also has been traveling around Indiana recently, Sautter said. "He's keeping his options open."

For now, the mayor is concentrating on promoting new ideas for governing American cities and trying to keep up with the demand for more information on the subject. "One of the reasons we have asked the Manhattan Institute to launch CCI is to help people who are interested in these ideas," Goldsmith said. "To the extent that it features Indianapolis, that's great."

And the Manhattan Institute is enthusiastic about having Goldsmith on board with CCI. Andrew Cowin, executive director of CCI described Goldsmith, Jersey City Mayor Bret Shundler, Milwaukee Mayor John Nordquist and others on the organization's advisory board as "the Charles Barkleys and Michael Jordans of American urban politics. They are intelligent, they work hard and they experiment."

Schoeff is HPR's Washington correspondent.

TICKER TAPE

a Washington Democratic strategist.

Former presidential nominee Bob Dole told Republicans in Fort Wayne that his recent credit card commercial has made him more popular than ever. "I've gotten things in the mail saying, 'If you'd done that before, I would've voted for you.' I didn't know they wanted a comedian in the White House."

U.S. Rep. Steve Buyer has come out in opposition to fast-track trade legislation. "It's about trust," Buyer said in a statement. "This administration has an extensive record of failing to demonstrate a commitment in upholding previously negotiated trade agreements.." The Kokomo Tribune reported that Buyer made no mention "of the volcanic protest against fast-track power that has recently erupted from labor leaders in Kokomo." Also coming out against fast-track was Republican Kokomo Mayor Jim Trobaugh, who said, "I'm not in favor of anything that jeopardizes jobs in our community and fast-track will." IBEW leader Artie Scruggs said he was pleased by Buyer's stance.

Republican Rep. Jon Padfield has resigned, having moved from Kokomo to Columbus for

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TICKER TAPE

a new job. Howard County Republican Secretary Karen Burkhardt appears to be Padfield's choice to replace him. Democrats lining up include 1995 mayoral candidate Jim Brannon, 1996 nominee Ron Herrell, Kokomo City Councilwoman Cindy Dunlap and perennial candidate Mildred Bertram.

Elkhart Mayor Jim Perron is under fire for having written a letter to the editor to the Elkhart Truth under the name of a police reserve who later said he was promised a job on the police force. At a press conference on Oct. 22, the four-term Democratic mayor said he will not quit because of the controversy. "Anytime you make a mistake and do something wrong, it's not a net positive," Perron said. "But we need to move ahead. Hopefully, our work will speak for itself" (John Ferak, South Bend Tribune).

Vanderburgh County property tax rates are expected to decline. Wrote Herb Maryniell of the Evansville Courier, "The savings result from the state paying more of each homeowner's tax bill next year through a homestead credit and a sizeable jump in property assessments."

President Clinton and Israeli

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COLUMNISTS ON INDIANA

Larry Lough, *Muncie Star Press* - Ours, the richest country in the world, may be the poorest in memory. Socio-journalist Studs Terkel wrote those words. They came to mind recently as Americans learned more than they'd ever known about the thoughts and actions of two former presidents, Lyndon Johnson and Richard Nixon. They demonstrated that technology and the media might (should) ensure that we don't forget the past; that if we sometimes relive our darkest hours, perhaps we won't have to repeat them. These episodes, arising from the graves of dead presidents, deal with irrepressible truth. Truth is an irresistible force: it might temporarily be suppressed, but eventually it prevails. ✍

Alan Julian, *Evansville Courier* - Tradition says a congressman has an easier time winning a third term than the first two, but that notion may get a serious test in Indiana's 8th District next year. Democrat Gail Riecken is already showing she'll be a formidable candidate as she sets her sights on two-term Republican incumbent John Hostettler. And her political homework is apparent when she discussed issues ranging from the federal budget to the environment. ✍

Phil Wieland, *Munster Times* - The recent record-breaking drop by the Dow Jones raised many questions, the one asked most often by millions of Americans being, "Who cares?" Naturally, we in the media were very concerned because it was an event of international significance, and we take great interest in all events that affect our readers. Besides, there were no accidents or murders involving celebrities that day. Also, all our pension funds are invested in the market. ✍

Sylvia Smith, *Fort Wayne Journal Gazette* - President Clinton ... in his last State of the Union address told the country he was creating a program to give 10 rivers a mentor to help the cities along them cash in on the river-tourist buck. Some cities, especially on the East Coast where river tourism has been a godsend for gently declining towns, were wildly enthusiastic and could hardly wait to apply for the special designation for their river. But some people saw nothing but black helicopters. The United Nations overruling local zoning boards. Where others saw dollar bills and beefed-up tax bases, these folks saw an end to America as we know it. For Indiana, the damage is already done. Conspiracy-theorist fear-mongers bullied the Wabash River Heritage Corridor Commission into backing off its plan to apply for the designation for the Wabash River a few weeks ago. Ten other rivers will be chosen. Cities and towns along those 10 rivers will get the boost they need to capitalize on what might be nothing more than a bike path or some abandoned warehouses. Maybe those cities will become tourist meccas. Maybe they won't. But for sure, Indiana and the towns along the Wabash will lose out. ✍

Dick Cady, *Indianapolis Star* - When suspended attorney R. Victor Stivers commited suicide Thursday, some people saw it as the inexplicable and tragic end of a relative, friend or neighbor. In their shock or grief, they wanted to blame someone. Some of them decided to blame me. They saw my Thursday column about Stivers' history of misconduct and his recent suspension by the Indiana Supreme Court as the bullet put in his gun. I do not offer apologies. For the column was more than fair and accurate. It was necessary. Yet over the past few days, several people asked if I would have handled the column differently in view of Stivers' suicide. At first, I thought: No. But maybe I should have included comments from aggrieved clients, including a woman who cried as they described how their own lawyer's betrayal shattered their lives. All of us who sit on the edge of the public arena realize that as others fall suddenly, so might we fall ourselves.

PERHAPS WE WANDER

By Brian Howey

Burst of electricity from neighboring Illinois brings new life to the upcoming legislature

INDIANAPOLIS - Funny how things can change dramatically in just a day or so.

Just ask anyone with an eye on Wall Street.

Or, to localize it a bit, anyone who pays an electric bill here in the Great Hoosier State.

To put this all in perspective, let's walk back in time to just a week ago.

The hot political topic was whether the Indiana General Assembly should meet in its 1998 short session if the budget wasn't going to be reopened and there were no emergencies.

House Speaker John Gregg told one reporter, "As we are getting closer, there is a lot in me that thinks that's a legitimate question."

Gregg told me, "I've been asked that always by reporters, but never by legislators or lobbyists."

But the Sandborn Democrat went on to acknowledge, "We've got no economic problems. There are no pressing matters. I've asked the governor's office if they have any departmental emergencies. There are none. So this fat ol' boy might send people home early."

Technically, the legislature's short 30-day session is to address "emergencies."

Gov. Frank O'Bannon's office said it didn't have any new agenda, other than things he outlined during his January State of the State address that didn't get through the 60-day-plus-an-overtime long session earlier this year.

Senate President Pro Tem Bob Garton wants to meet, saying there are all sorts of summer study committees that are hankering to report their findings. But even the most prolific careerist legislator that Garton is hardly sounded enthusiastic about the potential for accomplishment.

In past short sessions, the leadership was openly jaded about the need for a session, vowing to close down shop early - like in February - so the 25 or so legislators (out of 125 running) who have truly competitive elections ahead could get home and start campaigning.

Gubernatorial spokesman Steve Campbell, though, cautioned: "Something always comes up."

Well, something did happen to pop up that will give the Indiana General Assembly a topic truly worthy of their attention come January 1998.

Last Tuesday, a deal was struck in Springfield, Ill., that will send a little jolt through Hoosier electric consumers. The leadership of the Illinois General Assembly agreed to legislation that will allow consumers to choose their electric companies.

That means rate cuts estimated to be 15 percent due to the deregulation. It means a customer of Commonwealth Edison Co., could switch over to, say, Ilinois Power Co.

Translate that to Hoosier terms and with similar deregulation, an Indiana Michigan Power customer could switch to NIPSCO, or PSI Energy.

By the time the Illinois market is completely deregulated by 2006, some consumers could realize rate cuts estimated to be 30 percent.

The Illinois legislature still has to vote on the package, but most observers believe it will pass.

"The agreement in Illinois on electric deregulation will have a significant, profound impact into the Indiana market," explained Kip Tew of PSI Energy in Indianapolis.

With Illinois power rates likely to drop dramatically, there will be a potential big lure for Indiana business and industry - or companies it is trying to attract - to look westward. A 15 to 30 percent power rate drop can look mighty sexy to a heavily juiced manufacturer.

The jolt that needs to be felt by Indiana legislators is that this state's track record for being innovative on the business front isn't very good.

All you have to do is look at your bank.

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TICKER TAPE

Prime Minister Benjamin Netenyaho will be in Indianapolis this coming weekend as part of the Jewish Federation convention, hosted by Indianapolis Mayor Stephen Goldsmith.

Polling data by GOP pollster Linda DiVall reveals a "gender canyon" among women in the 35 to 59 age group favoring Democrats by a 53-33 margin in congressional races. "The fact is that a number of the Republican open seats will probably be more difficult to defend than many of the open Democratic seats," DiVall said.

U.S. Rep. David McIntosh told the Washington Post he suspects the Clinton administration's White House counsel has obstructed justice by withholding a memo suggesting that President Clinton wanted to share a taxpayer-funded database with the Democratic Party. "This means I'm going to have to open another investigation about obstruction of justice," McIntosh said (Guy Gugliotta, Washington Post). "We will also have to reopen investigations into some areas where we had concluded there was no wrong-doing." The White House released a letter last Tuesday from counsel Charles Ruff acknowledging the "tardiness" in providing the memo.

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TICKER TAPE

Democrat Mark Townsend announced his candidacy for the 19th Senate District late last month against Sen. David Ford. "As a farmer, I've felt the crushing burden of property taxes place on those who till the soil and own a home," said Townsend. "I seek this office not to be a yes man for the party caucus nor a mouthpiece for the special interests."

U.S. Rep. Mark Souder has endorsed former Huntingburg Mayor Connie Nass for the GOP state auditor's nomination in 1998.

Perhaps We Wander, from page 7

First-Chicago-NBD, Key Bank, Huntington Bank, BankOne, Norwest and so on are all out-of-state banks which dominate the market here. And believe me, Huntington Bank isn't headquartered in Dan Quayle's hometown.

The reason is our neighboring states all deregulated their banks years before Indiana did. Until Senate Bill 1 - the banking bill - passed in the mid-1980s, Indiana banks weren't allowed to place branches in contiguous counties let alone go statewide or buy those in other states. Banks in Michigan, Illinois, Ohio and Minnesota did. By the time we deregulated our banks, our neighboring states' banks had gobbled up their competition and gathered huge resources (in comparison) and thus came in and took over.

Tew, who happens to be the former Marion County Democratic chairman and now works for former Republican Lt. Gov. John Mutz at PSI Energy, notes that the move in Illinois "raises the stakes in Indiana."

After Speaker Gregg toyed with the notion of not meeting at all next January, he was besieged with phone calls from Democratic and Republican legislators alike. "We've got to meet! We've got to meet," they cried (his description).

Well, now they've got a good reason.

Maybe Gregg, Garton and O'Bannon ought to declare this the "Year of the Dereg" and concentrate solely on electric and telecommunication reforms.

They can let the chairs of the summer committees give their reports, and then limit legislation to the topic of deregulation. The focus could be made on how to keep the state competitive, and how to give consumers a break on their power and phone bills.

Why, I'd consider voting for any politician who could deliver an auto license plate tax cut two years ago, a property tax cut last year, and lower utility bills next.

THE HOWEY POLITICAL REPORT

The Weekly Briefing On Indiana Politics

PO Box 20877
Indianapolis, IN
46220

Jack E. Howey
NewsLink, Inc./Peru
948 Orchid Pl
Peru IN 46970-3015

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