

Portland Business

Cuomo invites agencies to apply for HUD gun buyback funds

Feds face tough decision on rates

CONTRIBUTED STORY FOR THE PORTLAND OBSERVER

The US Department of Housing and Urban Development will begin accepting applications this week for \$15 million in grants to fund the purchase of up to 300,000 guns from people around the country, in the largest gun buyback program in American history. HUD Secretary Andrew Cuomo today invited public housing authorities-in partnership with police and sheriff's department-to apply for the grants, which will be used to buy back guns for about \$50 each. Each housing authority and law enforcement agency applying jointly for a grant will be eligible to get up to \$500,000 in HUD funds- enough to purchase up to 10,000 guns at \$50 each. While some large cities are expected to seek maximum funding, smaller cities are expected to operate smaller buyback programs. A notice of availability issued by HUD and published in the Federal Register officially notifies communities across the nation about the grants explains the process of

applying for the funds. Information and a fund application can be found on HUD's web page at www.hud.gov. Applications are due December 3. Funding will be awarded on first-come first-serve basis. Housing authorities will distribute the HUD funds to local police departments to conduct the buybacks in December, to enable families to replace guns with cash and gift certificates during the holiday season. "When we empower communities to join together to reduce the number of guns on our streets, we make neighborhoods safer and make the lives of children more secure," Cuomo said. "I encourage communities to apply for these grants to prevent needless death and injuries caused by guns." HUD's gun buyback and Violence Reduction Initiative was announced by President Clinton in September. HUD has used the time since then to finalize details of the initiative. Local officials will decide whether to distribute the \$50 per gun buyback fee in cash, or in the form of gift certificates for food, toys or other goods. In addition, local merchants

will be encouraged to support the buyback programs by donating additional items to people turning in firearms. HUD will also provide funds to help administer the buyback and to study the effectiveness of gun buyback programs, and could provide funding to more housing authorities and police departments in the future if the pilot initiative is expanded. Several cities around the country have conducted gun buyback program in recent years, but none has even come close to purchasing 300,000 guns. These local buyback programs have collected anywhere from a few dozen to a few thousand guns. The buybacks are designed to reduce the toll of gun violence, which each week claims an average of 600 lives and injures another 1,800 people in crimes, accidents and suicides around the United States. To reduce the availability of guns, all guns purchased with HUD funds will be destroyed, unless it is determined that a gun was stolen or is needed for an ongoing law enforcement investigation. Stolen weapons will be returned to their lawful owners. Local law enforcement agencies will be required to follow specific recovery, tracing and destruction procedures in dealing with firearms purchased under the buyback initiative. This includes tracing of guns through the Bureau of Alcohol, Tobacco and Firearms and National Crime Information Center, as well as ballistics testing.

ASSOCIATED PRESS

Federal Reserve policymakers gathered yesterday for one of the toughest and least predictable interest rate meetings in recent history as suspense mounted among investors over the outcome. The closed-door meeting of the rate-setting Federal Open Market Committee was clouded in so much uncertainty that financial markets were split right down the middle on the odds of a third increase in borrowing costs this year. The central question facing the 10 voting members of the secretive committee is whether the world's biggest economy, after more than eight years of expansion, will eventually slow down by itself. If it will, rates should be left alone. If it won't, rates should be raised to keep the economy from overheating. Federal officials have acknowledged that finding the right answer has seldom been more difficult. Increasing rates now might open them to charges of being over-zealous, while waiting a bit longer until inflation shows up more clearly in the data could make the Fed appear dangerously behind the curve. Reams of economic data have not helped to make a clear case either way. Increases in wages and consumer prices have been tame to date, but the nation's labor market is getting ever tighter and commodity and import prices are on the uptick. "It's a very close call, but if the Fed is to be pre-emptive, a (tightening) move in November would be a valid decision," said Lynn Reaser, chief economist at Bank of America Private Bank in Jacksonville, Fla.

ROCKY RELATIONS

The eagerly awaited meeting follows small rate rises in both June and August aimed at reining in a consumer-fueled boom in the U.S. economy, which grew at an amazing 4.8 percent pace in the July-September period. But whether or not those moves actually succeeded in putting a lid on growth going forward is an issue still hotly debated among economists and Fed officials. The Fed's ability to restrain the buoyant U.S. consumer will depend in good part on the future course of stock

prices, which have been a key force behind the spending extravaganza. Fed Chairman Alan Greenspan, whose relationship with the stock market has long been rocky, has repeatedly warned that runaway gains in stocks will not be sustainable forever. The Dow alone has risen more than 17 percent since January, even though it has recently come off the years' high. "Clearly, asset prices are an important variable for the Fed," said veteran Fed watcher Sung Won Sohn, chief economist at Wells Fargo Bank in Minneapolis. Not that anybody at the Fed believes interest rate policy should or could be used to influence the price of stocks or other assets. Greenspan himself has insisted he will not try to second-guess the judgment of millions of investors whose collective actions determine the course of stock prices. "It's a strange world we'd be getting into if the Fed started going after the stock market," said James Glassman, senior economist at Chase Securities Inc. in New York. "That would be a dangerous game."

LAST CHANCE CAFE

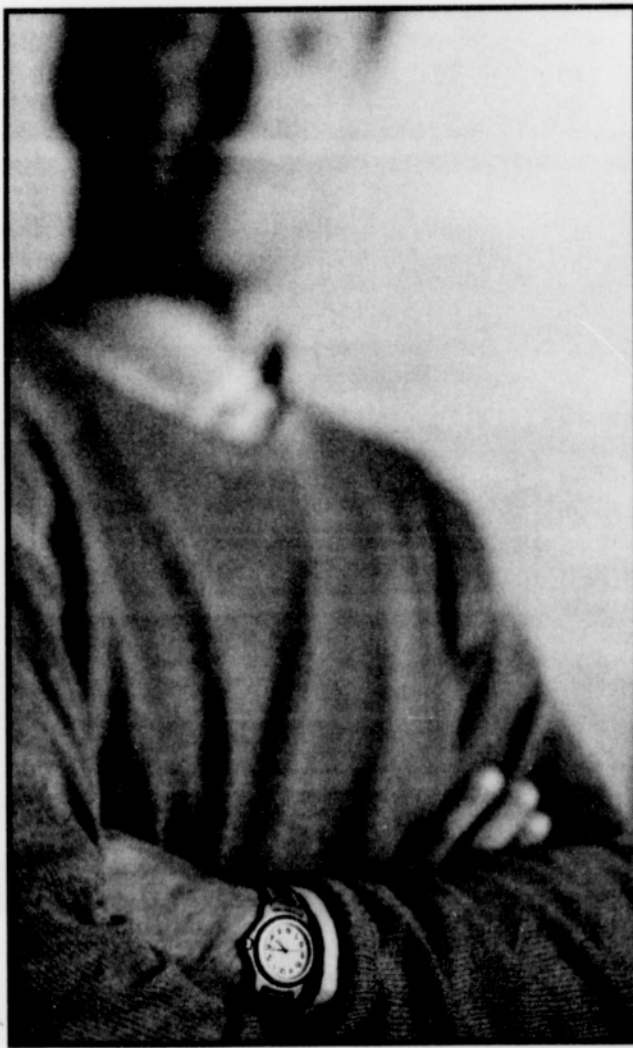
But few inside or outside the Fed would doubt that a sustained slowdown in the red-hot U.S. economy can be achieved without letting some air out of sky-high stock prices. With financial markets' trust in Greenspan's stewardship of the U.S. economy unbroken, the Fed's previous two tightenings have done little to make stock investors less optimistic about the prospects for continued strong growth ahead. Another small rate rise on Tuesday would be unlikely to change that. "Right now, a rate rise would not kill off the economy or the stock market," said Wells Fargo's Sohn. "To me, it would be sort of a safe insurance policy." Should policymakers decide to hold off on a rate move now, they will get another chance to tap the brakes at their next and final meeting this year on Dec. 21. But many economists doubt they will run the risk of adding to potential upheavals caused by the Year 2000 computer problem, which would put off any rate rises until next year.

Census 2000 approaches, Northwest community leaders meet

CONTRIBUTED STORY FOR THE PORTLAND OBSERVER

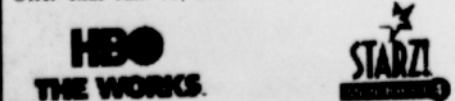
With Census Day (April 1) only six months away, city and county officials and representatives of community organizations throughout the Northwest gathered in Portland, Oregon for an intensive two-day conference on Census 2000. More than 250 delegates and Census Bureau representatives attended the conference. The main focus of the conference was to provide information and strategies to ensure a complete and accurate count in every community throughout the states of Idaho, Washington and Oregon. Several hundred Complete Count Committees have been formed throughout the three states to provide advice and support to the Census Bureau to promote participation in the census, and assist in recruiting in their communities for the thousand of census employees who must be hired to carry on census operations during Census 2000.

During the conference, delegates were addressed by Oregon Treasurer Jim Hill, who stressed the economic impact of the census and importance of an accurate count in legislative redistricting and congressional apportionment that is based on census numbers. Delegates also heard from Alan Porter, the state of Idaho's liaison to the Census Bureau, who as Idaho's demographer, has been closely involved with the Census Bureau's advertising campaign, the first in the history of census, which will begin in November, and will feature radio, newspaper ads as well as outdoor promotions. A key topic at the conference was "Census in the Schools," an imaginative program to provide teachers with information about the census for classroom discussions to teach students how the census is used by governments, business and community groups to plan for the future. A number of Complete Count Committees throughout the Northwest have been working for as long as a year on plans to promote the census in their communities. A workshop panel on "Best Practices" allowed committees who have well-developed programs and plans to share information with committees who have been formed. Michael Burns, deputy regional director for the Census Bureau's Seattle Region, which includes Idaho, Oregon and Washington as well as Alaska and Northern California, told the delegates that community involvement was crucial to a successful census. "Census 2000 cannot be the Census Bureau's census. To be successful, it has to be Portland's census; it has to be Seattle's census; it has to be McMinnville's census; it has to be your community's census. You know your communities, we do not. We need your help in identifying areas where extra effort will be needed to get the word out on the importance of the census to everyone in your community. We need your help to find good people in every community who would like to work for us during the census. With your help, we can be sure that your communities are fairly counted, and fairly represented in the allocation of federal dollars for essential programs for the people who live there. With your help, we can have the best census in history.



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