6) Also worrisome is the nearly unprecedented tension between the President and the FBI. The problem is that Clinton wants full information about FBI investigations of Asian penetration of the American political system, and Director Louis Freeh is keeping his distance. The President can neither fire Freeh nor intimidate him, and that spells trouble for the President. Is picking a fight with the FBI just plain stupidity, or apprehension about what is to come next?

The Vice President: Al Gore's China trip only added to his political troubles. Democratic politicians tell us that his halting performance in Beijing reminded them, not of the masterful Vice President, but the bumbling presidential candidate of 1988. Outside the White House, there is no talk of "inevitability" or an uncontested Democratic presidential contest in 2000.

Burton Investigation: Republicans are standing by Rep. Dan Burton (R-Ind.) as chairman of the investigation into Clinton campaign abuses. But the Justice Department is moving ahead into what looks like a hurried-up criminal inquiry. If Atty. Gen. Janet Reno seeks an indictment, Burton would immediately be removed as a thorn in the President's side.

Tax Report

Tax cuts: Over the two-week congressional recess, these facts about the when and how of a tax cut emerged:

1) The administration's repeated offer to "give in" to a Republican postponement of the tax cut nearly immobilizes the forces within the GOP calling for immediate action.

2) Moderate Rep. Mike Castle's (R-Del.) plan for paying for a delayed tax cut is another roadblock for them. Castle plans to pay for a tax cut by using the anticipated savings accumulated from lower deficits, and cuts in corporate welfare. Who can argue with that? Not even moderate Democrats.

3) The musing among GOP strategists who were at first resistant to the idea of a delayed tax cut is that an April 15 vote on the largely symbolic Tax Limitation Amendment (which calls for a supermajority in Congress for tax increases) might be an adequate pacifier.

Internet Tax: Two West Coast hi-tech congressmen, Rep. Christopher Cox (R-Calif.) and Sen. Ron Wyden (D-Ore.), are joining forces to legislate a moratorium on state and local taxes on internet usage.

Under the interstate commerce clause of the Constitution, the federal government is permitted to preempt the taxing power of state and local authorities. Like-minded legislation has been applied to the aviation, railroad, and telecommunication industries.

But internet use is difficult to tax already, and it is not clear how many states and localities actually plan to attempt it. When the California Board of Equalization (the largest taxing authority in the country after the federal government) consented to the plan last week, it was seen as a major victory by the sponsors of the bill. If Cox and Wyden can demonstrate a need for the bill, they're unlikely to face serious opposition from any in Congress.

Money Report

Federal Reserve: The much ballyhooed interest rate hike by the Federal Open Market Committee (FOMC) last week raised the eyebrows of sophisticated Fed-watchers and several former Federal Reserve governors. These observations:

1) The first is the consequence of the rate increase -- not with regard to Wall Street, which was expecting one, but whether Fed Chairman Alan Greenspan will lose credibility with markets.

2) His recent comments aimed at over-zealous markets were well heeded, the Dow dropping more than 300 points during the month of March. But Greenspan went ahead with a seemingly unnecessary rate increase anyway, which could have unintended consequences.

As former Fed governor Larry Lindsey put it in a report to his clients, "Like abused children, the markets might come to ignore future warnings from Papa Greenspan, figuring