

Nation Sets Its Sights on
Building Sane Economy

True Cost Tax, Salary Caps, Trust-Busting Top List

By T. VEBLEN

The President has called for swift passage of the Safeguards for a New Economy (S.A.N.E.) bill. The omnibus economic package includes a federal maximum wage, mandatory “True Cost Accounting,” a phased withdrawal from complex financial instruments, and other measures intended to improve life for ordinary Americans. (See highlights box on Page A10.) He also repeated earlier calls for passage of the “Ban on Lobbying” bill currently making its way through Congress.

Treasury Secretary Paul Krugman stressed the importance of the bill. “Markets make great servants, terrible leaders, and absurd religions,” said Krugman, quoting Paul Hawken, an advocate of corporate responsibility and author of “Blessed Unrest, How the Largest Movement in the World Came into Being and Why No One Saw It Coming.”

“At this point, the market is our

leader and our religion. No wonder the median standard of living has been declining so much for so long.”

Krugman said that the new Treasury bill seeks to ensure the prosperity of all citizens, rather than simply supporting large corporations and the wealthy. “The market is supposed to serve us. Unfortunately, we have ended up serving the market. That’s very bad.”

Much as Roosevelt, after the Great Depression, put the brakes on C.E.O. wages and irresponsible banking practices, administration officials claim that today we need to rein in the industry that has caused such chaos and misery.

“The building blocks of post-World War II American middle-class prosperity have all been swept away,” said House Speaker Nancy Pelosi, who initially op-

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Maximum Wage
Law Succeeds

Salary Caps Will Help
Stabilize Economy

By J.K. MALONE

WASHINGTON — After long and often bitter debate, Congress has passed legislation, fiercely fought for by labor and progressive groups, that will limit top salaries to fifteen times the minimum wage. Tying the bill to a plan of overall reform of the U.S. economy, the bill echoes a similar effort enacted by President Franklin Roosevelt in 1942, which was followed by the longest period of growth for the middle class in U.S. history.

“When C.E.O. salaries remain stable thanks to high taxation of high salaries, there’s little incentive to take big risks with shareholders’ money, and the economy remains in a steady growth mode,” said Senator Barney Frank, one of the bill’s co-sponsors. “But when C.E.O. salaries can fly through the roof, there’s a very strong incentive for C.E.O.s

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TREASURY
ANNOUNCES
“TRUE COST”
TAX PLAN

By MARCUS S. DRIGGS

The long-awaited “True Cost” plan, which requires product prices to reflect their cost to society, has been signed into law.

Beginning next month, throw-away items like plastic water bottles and other items which are wasteful or damaging to the environment will be heavily taxed, as in many developed countries. Steep taxes will also apply to large cars and gasoline.

The new plan calls for a 200 percent tax on gasoline, comparable to the one long in effect in most European countries. Companies and consumers are already switching in droves from inefficient gas vehicles to new electric cars. “We suddenly have a waiting list 200 names long for the EV1,” said Jake Cluber, the owner of Cluber Chevrolet in

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Popular Pressure Ushers
Recent Progressive Tilt

Study Cites Movements for Massive Shift in DC

By SAMUEL FIELDEN

The spate of reform initiatives undertaken by the Administration and both houses of Congress can be attributed directly to grassroots advocacy, according to a comprehensive study due out this month.

“In education and health care, most notably, but also in housing, banking, and the environment, we have documented unprecedented responsiveness on the part of political leaders,” said Dr. Joyce Wellmon, director of the Plains Institute for Policy Analysis, a New York-based think tank. “Our data show a direct correlation between the level of activity of particular coalitions, on the one hand, and specific legislative action, on the other. It’s popular pressure that is responsible for the swiftness and scope of legislation emerging from the White House and Congress.”

The institute’s report shows a three-fold increase in the incidence of letters, phone calls, faxes, and email received by congressional offices, 88 percent of which were from people who identified themselves as new members of particular activist organizations.

See nytimes-se.com for more

The report includes extensive interviews with House and Senate staff, who speak of “unimaginable change,” a “dramatic policy shift,” and “a new era of accountability” since the elections.

“Not since the Great Depression has the interaction between popular movements and public leaders been so robust,” said Jorge Lazaro, head of the U.S. Government Accountability Office. Lazaro cited, in particular, the Wagner Act, also known as the National Labor Relations Act of 1935, which recognized the right of workers to organize and bargain collectively with their employers.

“Roosevelt showed no interest in the Wagner Act until it became clear the unions were going to force it through regardless,” Mr. Lazaro noted. “At that point he jumped on it and helped push it into law.”

Mr. Lazaro also pointed to the Depression-era organizing of the Farmers’ Holiday Association, when farmers refused to sell or bid on crops, blockaded roads, and even once used a torpedo to halt a train carrying livestock into Iowa. Such direct actions helped push courts and legislatures to adopt



Health Insurance Act Clears House
While almost all are celebrating the passage of the National Health Insur-

IRAQ WAR ENDS



COURTESY ARMY.MIL

U.S. Army helicopters begin moving troops and equipment from Saddam Hussein’s former Baghdad palace.

Recruiters Train for New Life

As a ban is imposed on recruiting minors, ex-recruiters nationwide look for new work. The Times follows one on his job-hunt odyssey through Manhattan and surrounding areas.

By BARRY GLOAD, PAGE A12



Last to Die

Two proportional monuments — one to the Iraqi dead, 300 feet high, and one to the American dead, 15 feet high — are unveiled in Baghdad, and a five-year-old boy whose lifespan coincided with that of the Iraq War is remembered.

By J. FINISTERRA, PAGE A5

USA Patriot Act Repealed

Eight years later, a shamefaced Congress quietly repeals the much-maligned USA Patriot Act, unanimously... or almost.

By SYBIL LUDINGTON, PAGE A8

Evangelicals Open Homes to Refugees

Up to a million Iraqi exiles — nearly half of the total — will find sanctuary in Christian homes across the U.S., vows the National Association of Evangelicals. Other denominations are expected to follow.

By W. WILBERFORCE, PAGE A7

Public Relations Industry Starts to Shut Down

The public relations industry has been criticized for misleading the American people, corrupting politicians, and even helping to start wars. Now, it’s beginning the process of shutting down for good.

By LOUIS BECK, PAGE A10

Ex-Secretary
Apologizes for
W.M.D. Scare

300,000 Troops Never Faced
Risk of Instant Obliteration

By FRANK LARIMORE

Ex-Secretary of State Condoleezza Rice reassured soldiers that the Bush Administration had known well before the invasion that Saddam Hussein lacked weapons of mass destruction.

“Now that all of you brave servicemen and women are returning, it’s important to us to reassure you, and the American people, that we were certain Hussein had no W.M.D.s and that he would never launch a first strike against the U.S.,” Ms. Rice told a group of wounded soldiers at a Veterans’ Administration hospital yesterday.

“I want you to know that if we had had the slightest suspicion that Saddam could use W.M.D.s against you, we never would have sent hundreds of thousands of you to be sitting ducks on the Iraqi border for several months.”

Mr. Rice was referring to the fact that by August 2002, eight months before the ground invasion, the US had over 100,000 troops stationed in countries throughout the Gulf, a number that grew to over 300,000 shortly before the 2003 attack on Baghdad. Most of these were within range of the Scud missiles used by Mr. Hussein in the 1991 Gulf War, that could easily have been fitted with chemical or biological weapons if they had existed.

Rice noted that in the 1991 Gulf War, Hussein had used missiles to launch attacks on Israel, which made him popular with Arab citizens throughout the Middle East.

“Do you really think we would have given Saddam a major public relations coup by allowing him to annihilate tens of thousands of you right there on holy territory?” asked Ms. Rice.

Former Secretary of State Henry A. Kissinger responded to Ms. Rice’s revelation without surprise. “Of course this was the case. When Israel believed Iraq had nuclear weapons in 1981, they didn’t attack on the ground — they bombed from the air. That’s a pre-emptive attack. If you believe deterrence will not prevent an attack and that your enemy has W.M.D.s, then the last thing you do is station your troops right next door.”

ABC’s George Stephanopoulos

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Troops to Return
Immediately

By JUDE SHINBIN

WASHINGTON — Operation Iraqi Freedom and Operation Enduring Freedom were brought to an unceremonious close today with a quiet announcement by the Department of Defense that troops would be home within weeks.

“This is the best face we can put on the most unfortunate adventure in modern American history,” Defense spokesman Kevin Sites said at a special joint session of Congress. “Today, we can finally enjoy peace — not the peace of the brave, perhaps, but at least peace.”

As U.S. and coalition troops withdraw from Iraq and Afghanistan, the United Nations will move in to perform peacekeeping duties and aid in rebuilding. The U.N. will be responsible for keeping the two countries stable; coordinating the rebuilding of hospitals, schools, highways, and other infrastructure; and overseeing upcoming elections.

The Department of the Treasury confirmed that all U.N. dues owed by the U.S. were paid as of this morning, and that moneys previously earmarked for the war would be sent directly to the U.N.’s Iraq Oversight Body.

The president noted that the Iraq War had resulted in the burning of many bridges. “Yet our history with our allies runs deep,” he said, “and we all know that friends forgive friends for anything. Or nearly.” A spokesperson for the French Ministry of Defense confirmed that France would assist the U.S. withdrawal. “The U.S. helped the Soviet Union defeat Hitler. We do recognize that.”

In conflict zones worldwide, leaders and rebels pledged peace. (See “In Conflict Zones Worldwide, Peace Moves,” on Page A4.)

On Wall Street, reactions were mixed, with the Dow Jones Industrial Average up 84 points, to close at 4,212. While KBR stock was quickly downgraded to a “junk” rating of BBB-, defense contractors such as Lockheed Martin and Northrop Grumman started up.

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Nationalized Oil
To Fund Climate
Change Efforts

By MARION K. HUBBERT

Congress has voted to place ExxonMobil, ChevronTexaco, and other major oil companies under public stewardship, with the bulk of the companies’ profits put in a public trust administered by the United Nations, and used for alternative energy research and development in order to solve the global climate crisis.

While unusual, this is not the first time the government has chosen to take control of large corporations. From 1942 to 1944, U.S. car factories were retooled in order to produce tanks for the war effort. And Fannie Mae and Freddie Mac were both created as “government sponsored enterprises” with a significant amount of government oversight.

“We can do what needs to be done,” said Senator Charles Schumer, Democrat of New York. “Our planet’s survival is at stake. Plus, public pressure hasn’t given us much of a choice.”

Not everyone felt the move was a good idea. “The climate crisis may or may not be real,” declared Senator Kay Bailey Hutchison, Republican of Texas. “I’m an agnostic and I’m staying that way. But sea

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INTERNATIONAL A4-5

Gitmo, Other Centers Closed

The notorious Guantánamo Bay, Cuba detention camp will be closed, along with a network of secret C.I.A.-run facilities in Eastern Europe, Afghanistan and elsewhere. PAGE A24

Iraqi Refugees Worldwide
Celebrate Withdrawal

Two million Iraqi exiles, and three million internal refugees, celebrated the end of hostilities and began making plans to return to their homes. PAGE A4

NATIONAL A6-9

Conflict of Interest Law Will Stop
Revolving Door

The “Revolving Door” bill will prohibit high-ranking corporate officers from holding public office for ten years upon

leaving their companies, and public officials from accepting management positions at large corporations for the same period. Coupled with the Ban on Lobbying bill, the bill will reduce the influence of large corporations on public policy. PAGE B1

ance Act, which finally brings the U.S. up to par with other developed nations, representatives of Kaiser, Cigna and other health insurance companies are vowing to “fight tooth and nail” to protect their interests. PAGE A7

Bush to Face Charges

Most observers weren’t surprised by the high treason indictment itself, but rather by the party that brought it. The case could also provide an unexpected boost to the International Criminal Court, paving the way for more indictments. PAGE A5

BUSINESS A10-11

Corporate Personhood Gets Real

An initiative to abolish limited liability will make shareholders pay for the crimes their corporations commit — even if they only own one or two shares in a mutual fund. PAGE A11

NEW YORK A12



Bicycle Lanes Inaugurated

With the completion of the 9th Avenue bike lane and groundbreaking on other avenues, New York is on the (bike) path to becoming as livable as other world cities. PAGE A12

EDITORIAL A13

A Lobbyist Defends Lobbying

The Ban on Lobbying bill is not without victims. PAGE A13

Thomas L. Friedman

The columnist resigns, and will put down his pen to take up a screwdriver. PAGE A13

A Baboon Troop’s Experience

A particularly peaceful baboon troop may have lessons to teach us. PAGE A13

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