

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."

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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IRAQ WAR E



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, unambiguously... 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.

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

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 b the

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

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