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NEWS UPDATE - February 16, 2001

In the News...

LABOR – BUSH TAKING “POT SHOTS” AT WORKERS: The Wall Street Journal reports on how “The new president's early moves on workplace and labor issues are worrying many union leaders.”

LABOR – UNIONS READY FOR GOP ANTI-WORKER AGENDA: The Progressive reports that while “Republicans will certainly try to weaken the labor movement through legislation and administrative actions” unions know what needs to be done. As the article states, “the labor movement seems ready for a rousing and principled fight that could help lay the basis for progressive victories in the near future.”

TAXES – SLASHING AND BURNING NATIONAL PRIORITIES: The Wall Street Journal reports on how Bush is proposing a massive cut in federal science/research funding to make room for his tax-giveaway-to-the-wealthy plan.

TAXES – CHAIRMAN “LEVERAGING” CAMPAIGN CASH WHILE OVERSEEING TAX CUT: The Wall Street Journal reports on how House Ways and Means Chairman Bill Thomas is “heading a drive to raise \$6 million for GOP congressional races, drawing criticism because of the wide array of business that potential donors have before his committee.” As the article states, “Thomas is poised to leverage more than a tax cut or two from his new position as chairman of the Ways and Means Committee: He is looking for campaign dollars as well.”

ENVIRONMENT – SURPRISE SURPRISE! BUSH SHIRKS CLIMATE TALKS: The New York Times reports that “the Bush administration is only slowly turning to climate issues and so is being left on the sidelines in international talks that could shape a treaty curtailing global warming.” As the article stays, “the Administration has been mute.”

ENVIRONMENT – USDA CHIEF COULD THREATEN SIERRA CONSERVATION: The Washington Post reports that USDA chief Ann Veneman, who “recently represented the wise-use coalition that has led the vigorous fight against a plan to protect the Sierra Nevada forests,” is now in a position to decide whether to approve or reject the plan.

EDUCATION – IS GOP HIDING THE NUMBERS ON PURPOSE?: CongressDaily reports that the GOP is pushing for fast passage of its education bill, despite not providing any details on how much new funding – if any – there will be. As the article states, “Chairman Jim Jeffords acknowledged that he is under orders from Senate leaders to move the Bush plan swiftly to the Senate floor, even though the Administration told the committee that the amount of funding will not be disclosed.”

EDUCATION – GOP PLAN MIGHT BE ‘ALL HAT, NO CATTLE’: The Washington Post reports that “Democrats warn that they will measure the president's commitment to education largely by his willingness to contribute new money to it.”

CONSUMER PROTECTION – GOP PLANS TO PUSH CORPORATE AGENDA SIDETRACKED: National Journal reports that the GOP's plans to ram through a bankruptcy “reform” bill written by corporate lobbyists has been sidetracked. The legislation, which would be the first revamping of federal bankruptcy laws in two decades “is biased in favor of credit card companies and other creditors over the interests of consumers, especially low income people who go into debt through illness, job losses or other problems that are not mainly their fault.”

CORPORATE WELFARE – STATES SHOOT SELF IN FOOT WITH CORPORATE TAX CUTS: The Wall Street Journal explores how the competition between states to cut corporate taxes to attract business is pinching state budgets in a “race to the bottom.” As the article states, now that all states are following suit, “the economic advantage of lowering corporate taxes vanishes, leaving as the ultimate winner the companies that pocketed millions in tax breaks.”

From the Editorial Pages...

BILL GATES, SR. writes the Washington Post that Congress must not repeal the estate tax. “Repeal would hand the heirs of America's most affluent a \$294 billion tax cut over the next decade, reducing not just federal but also state revenues, and decimating the charitable sector.”

THE LOS ANGELES TIMES writes that “for all the right reasons, the push for repeal of the estate tax is losing steam in Congress. The problems with estate tax repeal and other proposed tax cuts that disproportionately aid the wealthy.”

DANIEL WILKINSON writes for the Los Angeles Times that “when President Bush visits with Mexico President Vicente Fox today, he may find something new: a Mexican leader ready to discuss human rights problems--in Mexico and in the U.S.”

Quote of the Day...

“Anyone who knows Bill Thomas will tell you that you don't get an edge from fund raising, you get an edge from policy arguments. These bills aren't bought and sold.”

- Corporate lobbyist Dan Cohen, who represents a coalition of financial firms seeking tax breaks, attempting to reassure Americans that corporations will give \$6 million to Ways and Means Committee Chairman Bill Thomas without any demands for payback (Wall Street Journal, 2/15)

In the News on February 16, 2001

Organized Labor Feels Early Effects Of a Republican in the White House

Wall Street Journal

WASHINGTON -- From a threat to intervene in the Northwest Airlines contract dispute to his review of a dozen union-friendly regulations implemented by the Clinton administration, President Bush is taking some early potshots at organized labor.

The real test of Mr. Bush's relations with the nation's unions, which mobilized millions of their members to support Al Gore in last year's election, is yet to come. Experts say it will depend on his handling of such controversies as new workplace-ergonomic standards aimed at protecting workers from repetitive-stress injuries, and his appointments to the National Labor Relations Board.

The new president's early moves on workplace and labor issues are worrying many union leaders, and they plan to use his actions to rally members both in the upcoming legislative battles in Congress and in the 2002 elections. "We're watching carefully and will be ready to respond" to Mr. Bush's labor policies, said Thea Lee, the AFL-CIO's assistant director for international economics.

In a meeting with the AFL-CIO's executive council Wednesday, Labor Secretary Elaine Chao said she would work hard to find common ground for labor and her department to work together. She added that she looked forward to cordial and productive relations.

Labor executives don't see some recent Bush actions as cordial, however, including his threat to set up a Presidential Emergency Board in the contract fight between Northwest Airlines and its mechanics union. The panel would try to broker a settlement if the two sides don't reach agreement on their own by March 12.

Mr. Bush's strategy could win favor with a public grown weary of air-travel disruptions. Senate Majority Leader Trent Lott (R., Miss.) this week criticized organized labor for its role in air-traffic headaches, and requested data on the percentage of flight delays caused by union troubles.

Some labor leaders complain Mr. Bush's stance impinges on workers' right to strike. Others say federal intervention could be necessary because the two sides are unlikely to reach an accord on their own.

A bigger blow to labor could follow with the Bush administration's quiet, continuing review of a dozen pro-labor regulations approved during the Clinton years. These include the ergonomics rule, which took effect last month, and a proposed regulation that would require companies to file reports with the Labor Department when they hire outside consultants to conduct antiorganizing campaigns. The administration is also circulating four draft executive orders that would roll back labor-friendly rules, including one that would require government contractors to notify nonunion members of their right, under a 1998 Supreme Court decision, to object to their union-representation fees being used for political activities.

And the Federal Acquisition Regulatory Council is drafting an order that would suspend a new regulation that links a company's eligibility for federal contracts to its record of compliance to labor, environmental and other laws, pending a review whether to repeal the regulation.

White House spokesman Scott McClellan said the moves aren't intended as a swipe at labor. Mr. Bush "makes his decision based on what's right for all Americans. I think many rank-and-file union members share the president's commitment" to such issues as lowering taxes and strengthening Social Security.

As to the regulatory review, Mr. McClellan said, "it's part of the responsibility of the new administration to review all the last-minute acts, rules and executive orders of the Clinton administration."

Union executives are skeptical of that, though, because of their experience with Mr. Bush when he was governor of Texas. In his first year in office, Mr. Bush alienated the AFL-CIO by allegedly backpedaling on several promises the labor federation claims he made to it. Joe Gunn, president of the Texas AFL-CIO, says Mr. Bush also supported "antiworker and antiunion" policies, such as trying to privatize the state welfare system.

Dan Yager, a senior vice president of LPA Inc., a policy advocacy group representing corporate executives, welcomed Mr. Bush's recent moves as "undoing some bad policies."

Organized labor is already using these cases as ammunition against Mr. Bush and the Republican Party. The AFL-CIO has been calling and mailing fliers to its members to inform them about the impending assault on the ergonomics rule. The Teamsters Union is upset with recent Bush indications that it may soon open U.S. borders to Mexican trucks, as required under the North American Free Trade Agreement, but stalled by the Clinton administration. Besides the competition these drivers would provide, the unions complain that their trucks are a potential safety hazard because Mexican trucking firms aren't as closely regulated as U.S. firms.

The union plans to hold a rally in El Paso, Texas, Friday to oppose the trucking plan. Mr. Bush's "position is not a surprise to us, but it's not in the best interest of working families," said Teamsters spokesman Rob Black.

Rep. Peter King (R., N.Y.), who has close ties to labor, said Mr. Bush's moves so far "aren't significant enough" to really rile labor, but he warned that the president shouldn't look to pick fights, because they are counterproductive.

Circulating four executive orders that would roll back pro-labor rules, including one that would require government contractors to notify nonunion members of their Beck rights.

Bush vs. Labor

The following is a sample of various actions taken by the Bush administration:

- Threatened to intervene in the Northwest Airlines contract fight; unions say this would take away their right to strike.
- Hinted toward opening the border to Mexican trucks, a move opposed by the Teamsters.
- Initiated a review of a dozen labor-friendly regulations, including the controversial ergonomics rule.
- Circulating four executive orders that would roll back pro-labor rules, including one that would require government contractors to notify nonunion members of their Beck rights.

THIS TIME, LABOR'S READY

The Progressive

The last transfer of power from a Democratic to a Republican Administration--from Jimmy Carter to Ronald Reagan--precipitated a disaster for the American labor movement. It was a time of widespread union-busting and contract concessions. Now, disappointed as unions are with Bush's victory, they do not expect a replay: Bush is no Reagan, and the labor movement itself has changed a lot since the 1980s.

Republicans will certainly try to weaken the labor movement, both through legislation and administrative actions. Even though his first nominee for Labor Secretary, Linda Chavez, was forced to withdraw, Bush made it clear with his choice of that darling of the radical right that his Administration will be actively unfriendly toward unions. While union strategists think they can beat back most legislative attacks, given Bush's dubious victory and the narrow Republican margin in Congress, they are also determined to go beyond defense and to continue fighting for the same goals as they did under--and at times against--the Clinton Administration.

"We still have to work on the key issues that matter to working Americans," says Communications Workers executive vice president Larry Cohen. "The strategy doesn't change, but the tactics do."

Tactically, with Republicans now in control across the board, labor needs to mobilize its members and the general public to demonstrate, both to Bush and to conservative Democrats hoping to strike a bipartisan compromise, that the popular majority backs labor's "working families agenda," not the proposals of the question-mark President selected by a conservative Supreme Court. Looking at polling data and the majority vote for center-left candidates (Gore and Nader combined), union leaders have good reason to believe that most Americans do support a moderate economic populism--universal and comprehensive health care, better education, higher wages, workers' rights to organize, global economic fairness, campaign finance reform, and tax equity.

Unions also plan to hold Bush to his compassionate conservative pledges. During the campaign, he successfully muddied distinctions between Gore and himself on Social Security, prescription drug coverage, a patients' bill of rights, and other issues. If labor and its allies take the initiative and stake out clear positions, for example, for universal, comprehensive health care, they may be able to frame the debate around progressive values, not just the details of narrowly drafted bills. If Bush opposes their program, they can paint him as a captive of wealthy special interests and no friend to the average citizen.

Labor had deep stakes in this election. Its early endorsement made a big difference in Gore's primary victory. It put lots of money into the elections--at least \$45 million through the AFL-CIO alone. More importantly, unions beefed up their grassroots organizing, dramatically increasing union household voters (from 23 percent of voters in 1996 to 26 percent)

and delivering 59 percent of those votes for Gore. Many labor leaders liked Gore, but most also had low expectations. They had gotten relatively little from Clinton, and they supported Gore partly as a simple defensive maneuver.

Though many union officials see themselves as Democratic Party leaders, there is also an increasingly independent mindset in the labor movement. Unions are more likely now than a decade ago to run major political operations separate from the Democratic candidates and to promote their own issues. Yet, with few potential Republican allies and great obstacles to third parties, labor has to rely on Democrats, even as it pressures them.

Unions should be concerned with issues, not parties, insists Service Employees International Union president Andy Stern. "We should focus on trying to win for our members and not worry about 2002," he says. "That's what our members expect us to do and what drives them to the polls. If we believe in things and stand up for them, we'll quickly find out in both parties who stands with us. We get confused and confuse our members when they see us as lap dogs of the Democratic Party and not watchdogs for their interests."

But labor is not anxious just to get something done in the interests of bipartisanship. "We need to define what getting things done means," says AFL-CIO public policy director David Smith. "It would be a mistake to define that as a less bad tax cut. We want to define that as access to health care and more money to educate your kids. It doesn't mean coming to a minimalist bipartisan deal on a bunch of bad ideas."

In order to prevent bipartisan agreement on bad ideas, unions and their allies will have to keep conservative Democrats from cutting their own deals with Bush. Gerald McEntee, president of AFSCME, the public employees union, says that Democratic defections are a "genuine concern." He says labor will have to "take strong positions with those folks who may be vulnerable." That means reminding even Southern conservatives that they depend on labor's money and African American voters who are now "angry and galvanized." He adds: "If it comes to it, we will have to be active in the districts and states," mobilizing their constituents to keep them in line.

Union leaders are worried about Bush's appointments, not only for Labor Secretary but also at the National Labor Relations Board (NLRB) and the wide range of agencies and departments that affect workplaces. The first nominee, Chavez, had a long and provocative paper trail documenting her opposition to raising the minimum wage, pay equity for women, affirmative action, and bilingual education. She also had suggested both that women don't bump up against a glass ceiling at work and that many are simply being "crybabies" when they complain about sexual harassment. Bush then settled on Elaine Chao, a fellow at the conservative Heritage Foundation, former Bush Administration official, and wife of Kentucky Senator Mitch McConnell. Chao has less of a public record (and very little experience) on labor-related issues, but she is a seasoned bureaucrat and not as abrasive as Chavez. Given the endorsements by business and conservative leaders and the few things that are known about her--such as her opposition to affirmative action --Chao seems to be an ideological clone of Chavez.

Bush will also be able to hamper unions through executive actions. For example, the NLRB has recently issued rulings that make it easier to organize some temporary workers, university graduate teaching assistants, and hospital residents and interns. Bush will quickly be able to make at least two, perhaps three, NLRB appointments, effectively closing off the possibility of such favorable decisions in the near future.

Yet union organizing now often circumvents the NLRB and, in any case, does not depend heavily on the agency.

"I don't think Bush will matter much for organizing strategy," says Cohen. "Ninety percent of that since World War II has been about building solidarity at the workplace. It's harder when the NLRB is worse, but that's on the margin. Mostly, the problem is employer opposition. If anything, employers got worse over the last eight years, but I don't blame that on the Administration."

After initially weakening occupational safety enforcement, the Clinton Administration finally put into effect last November a new standard for ergonomics that should help employees avoid muscular and skeletal injuries and illness. Business had fought against any ergonomics rules for ten years, but Clinton used his veto to stymie Republican efforts to stall the regulation even further. AFL-CIO health and safety director Peg Seminario now worries that Bush will issue an administrative stay of the ergonomics rule and that Republicans in Congress might overturn it.

Clinton's veto power blocked repeated Republican anti-labor initiatives, and many of those may come back now with only a Senate filibuster to halt passage. Whether Bush takes the lead or not, Congressional Republicans are likely to promote legislation that would eliminate mandatory overtime pay, permit businesses to establish company-dominated "teams" in place of unions, make it easier for companies to use contingent workers, and exempt more businesses from effective workplace safety enforcement. Perhaps as a deadly addition to any campaign finance legislation, Republicans are also likely to push for a national "paycheck protection" law, like the initiative defeated two years ago in California, that would make it extremely difficult for unions to use their funds for political work.

Under Reagan, the labor movement headed for the bunkers, hoping that the Democrats could save them. When that didn't happen, a growing number of unions started figuring out how to organize new members and how to fight back

politically under difficult circumstances.

By the late 1980s and early 1990s, for example, unions like the Hotel and Restaurant Employees, Communications Workers, and Service Employees used their bargaining power, strong rank-and-file organizing committees, community allies, civil disobedience, volunteer member organizers, and comprehensive anti-corporate campaigns to win union recognition even from hostile employers.

On the political front, several central labor councils--especially in California--resurrected old-style face-to-face organizing with their "labor to neighbor" campaigns in working class communities, and AFSCME took the lead in developing a more coherent labor strategy for national elections. Some unions, like the Steelworkers, also developed effective mechanisms to mobilize members rapidly for protests or letter-writing on legislative issues. These initiatives underlay the broader program that the Sweeney administration promoted after 1995.

These advances help account for unions' surprising confidence.

"I believe that the labor movement is more prepared today as an institution than it was in the eighties to make this kind of battle," says McEntee. "We are organized more than ever before. We're better equipped, with more resources, and more engaged."

In the last few years, AFL-CIO president John Sweeney has encouraged unions to form a much wider range of coalitions. Unfortunately, many leaders' anger at Ralph Nader's Presidential run could now threaten some coalitions. Nader's groups and the AFL-CIO worked together to organize the 1999 Seattle protests, as well as other actions. A split with the Nader forces would not serve the labor movement well.

If the coalition can stay together, it may grow even more powerful now that Clinton's pro-free-trade grip on the Democrats has slipped. Today, there is a better chance that Democrats will block fast track legislation and unite behind labor's view that new international economic agreements must protect workers' rights and the environment.

There is also a new willingness to build a social crusade, fighting for public support on fundamental values. "We need to start talking about what we believe in," argues Stewart Acuff, assistant Midwest director of the AFL-CIO. "It needs to come out of our experience of organizing average Americans, evolving out of our trying to build institutions and build power. Now is the time for us to articulate a common set of issues and values."

Despite the electoral setback, the labor movement seems ready for a rousing and principled fight that could help lay the basis for progressive victories in the near future.

BUSH, SEEKING ROOM FOR TAX CUTS, CHOPS BUDGETS FOR SCIENCE AGENCIES

Wall Street Journal

WASHINGTON -- In trying to make room for his tax cut, President Bush is having to chop another Republican priority: increased government spending for science.

Funds for the National Science Foundation will rise just 1% in fiscal 2002, which begins in October, one of its tightest budgets in years. The U.S. Geological Survey, which performs water and biological studies for federal policy makers, is fighting to stave off a threatened 22% cut from its \$885 million appropriation for this fiscal year.

The National Institutes of Health stands out, because its funding is expected to continue rising by billions of dollars under a five-year plan to double its budget by fiscal 2003. That growth rate might be difficult to sustain politically. Given the spending limits imposed on the rest of the Department of Health and Human Services and the scientific community, NIH's special status is provoking resentment.

Republican Rep. James Walsh of New York, who oversees the National Science Foundation's budget, called it "absurd" to expect the agency to be held to the 1% increase now forecast. The new chairman of the House Science Committee, Rep. Sherwood Boehlert of New York, is agitated by the budget outlook and raised his concerns at a meeting Wednesday between White House Budget Director Mitch Daniels and moderate House Republicans.

The administration counters that its budget keeps faith with the NIH, supports tax breaks for business investments in research as well as new technology spending for the military. Still, the choices are in sharp contrast with the past several years, when a pro-science synergy developed between the Clinton administration and many Republicans in Congress. Former House Speaker Newt Gingrich was outspoken on the need to spend more to fund research, and science investments are popular at a time when Federal Reserve Chairman Alan Greenspan has emphasized the long-term economic benefits of rising productivity rates.

"Any downturn in our science investment is cutting into our competitive edge and against our long term interests," Rep. Boehlert said.

More broadly, the squeeze on science spending reflects the hard choices ahead once President Bush begins to lay out his fiscal plan in what he calls his "State of the Budget" speech to Congress and the nation on Feb. 27. The president, who met with GOP budget writers at the White House, wants to hold appropriations next year to about \$663 billion, or 4% more than the current level. That would allow an estimated \$26 billion increase, counting about \$5 billion expected to be set aside for emergencies. Once extra money is allocated for the Education and Defense departments, whose budgets are expected to increase by about \$5 billion and \$11 billion, respectively, it leaves little for the rest of the government.

NIH could eat up as much as \$3.4 billion if it is to keep on pace for the five-year expansion. That leaves little room for other domestic science programs. The National Science Foundation has powerful backers in the universities that receive its grants. But, the more than 10,000 employees at the U.S. Geological Survey don't have the same high-profile, despite the agency's increased role in recent years in managing natural resources.

Water supply and quality are a large part of the geological agency's mission, issues of critical importance in the West. The proposed cuts could expose Republicans to criticism for weakening the very agency charged with many of the biological studies important to the Endangered Species Act.

"Good science is essential," said GOP Rep. Ralph Regula of Ohio, a senior member of the House Appropriations Committee, who described Geological Survey as the "premier science agency for the management of public lands."

WAYS AND MEANS CHIEF LEADS FUND DRIVE, RECRUITS LOBBYISTS

Wall Street Journal

WASHINGTON -- Rep. Bill Thomas is poised to leverage more than a tax cut or two from his new position as chairman of the Ways and Means Committee: He is looking for campaign dollars as well.

The California Republican is leading a drive aimed at raising \$6 million this spring for the House GOP campaign committee, even as his own committee, which holds broad sway over tax, trade and health-care legislation, embarks on what is expected to be a heavy legislative session. While the first priority is President Bush's tax cuts for individuals, the GOP-led Congress is under pressure to respond to business concerns, some of which are reflected in the client lists of the lobbyists recruited to help Mr. Thomas raise money.

They include Kenneth Kies, the top tax lobbyist at PricewaterhouseCoopers, and two major health-care industry representatives, Duberstein Group's Dan Meyer and Clark & Weinstock's Ed Kutler. Mr. Kies represents an array of clients, from Goldman Sachs Group Inc. to International Business Machines Corp., according to lobbying reports. Mr. Meyer represents managed-care concerns, among others, with a stake in what action the Ways and Means Committee takes on Medicare reform.

Also assisting in the effort is corporate lobbyist Dan Cohen of Arter & Hadden, and Robert Arensberg, a representative of Citigroup Inc., a spokesman for the GOP committee said. The company is part of a coalition of financial-services firms lobbying to renew an expiring provision of current law that eases taxes on certain income earned overseas.

Mr. Cohen played down the importance of campaign money in legislative decisions. "Anyone who knows Bill Thomas will tell you that you don't get an edge from fund raising, you get an edge from policy arguments," he said. "These bills aren't bought and sold."

The GOP drive is an annual affair, and last year was led by Louisiana Rep. Billy Tauzin, now chairman of the Commerce Committee. Mr. Tauzin also relied in part on lobbyists. But the timing of the current event, during a period of intense legislative activity, raises major concerns for campaign-finance critics such as Fred Wertheimer, who seized on it as a "blatant and brazen" example of what is wrong with the political system.

Those involved with the effort, which culminates with a gala dinner in March amid Senate debate over campaign-finance reform, say it poses no special concerns.

Mr. Meyer, once chief of staff to former Speaker Newt Gingrich, a Georgia Republican, said he is raising money because he wants to ensure that Republicans retain control of the House. "My involvement with the dinner is not going to affect my relationship with Bill Thomas," Mr. Meyer said. "Are some people going to be involved because they want to build a relationship? That might be the case. But that's not why I'm there."

Mr. Thomas dismissed suggestions that the involvement of lobbyists might pose problems, saying that "22 years of the way I've conducted myself and the law of the land" will ensure nothing inappropriate occurs.

The congressman has always been a capable fund-raiser, and his prowess helped him last year to leapfrog over a more senior Republican to claim the committee chairmanship. Drawing from his personal campaign account and a political action committee, Mr. Thomas donated more than \$500,000 to GOP candidates and the National Republican Congressional Committee, according to the Center for Responsive Politics, a watchdog group.

His new role raises the congressman's profile even higher. "Bill Thomas has a lot on his plate, balancing a tax plan and his political responsibilities," said Illinois Rep. Jerry Weller, a Ways and Means Committee member who is the NRCC's new finance chairman.

Mr. Weller said House Republicans hope to raise \$150 million to defend their narrow majority in 2002. Even though Election Day is far away, the rush is already on for cash. In mid-March, the Democratic Congressional Campaign Committee, the campaign arm of House Democrats, will hold two fund-raisers expected to raise more than \$4 million, much of it from the Washington lobbying and business community.

BUSH TEAM UNDER ATTACK ON EMISSIONS TALKS

New York Times

The Bush administration is only slowly turning to climate issues and so is being left on the sidelines in international talks that could shape a treaty curtailing global warming, say government officials and executives involved in the discussions.

At the administration's request, United Nations officials agreed on Monday to delay the next round of formal treaty negotiations, earlier set for May, until June or July.

But other meetings and informal international discussions that could significantly shape the final agreement are taking place weekly, and the treaty is expected to be a central topic at a meeting of environment ministers from the Group of 8 industrialized nations that begins in Trieste, Italy, on March 2.

The State Department thanked the United Nations on Tuesday for agreeing to the delay in climate- treaty bargaining, and said it would "shortly begin a review of its policy toward the international climate change negotiations."

But critics, who include industry executives and some environmental lobbyists, say the administration is betraying a lack of urgency. "Damage is being done right now," said a Washington lobbyist for foreign oil exporters, who spoke only on condition of anonymity. "Although efforts have been made to alert the administration that there's a whole bunch of stuff going on, there doesn't seem to have been a disciplined effort to cope with that circumstance."

Oddly, it is not environmental campaigners who have expressed the most impatience, even though new scientific reports have shown the strongest link yet between recent warming and rising emissions of greenhouse gases.

Rather, the frustration is coming mainly from some Republican officials and representatives of energy- related businesses, who see huge costs resulting from the climate treaty, named the Kyoto Protocol for the Japanese city where its outlines were negotiated in 1997.

These critics say the administration has essentially been mute in the face of day-to-day events including informal planning sessions for this summer's negotiations that took place at the United Nations last week. An influential scientific advisory panel that issued the recent reports strengthening the tie between warming and emissions is also releasing reports next Monday in Geneva and later this month in Accra, Ghana, and the final wording of such reports is often influenced by comments offered by governments.

Some people who oppose the Kyoto agreement say the scientific reports, by the Intergovernmental Panel on Climate Change, a body operating under United Nations auspices, are tending toward the sensational in hopes of energizing efforts to complete the treaty.

One senator involved with the issue, Chuck Hagel, a Nebraska Republican who sees warming as a significant problem but has been critical of the treaty, said both the right and the left should give Bush administration officials more time. "Everyone should throttle down and back a little bit," he said in an interview. "These guys are going to get their arms around this. They understand this is an important issue."

The Kyoto Protocol has been signed by more than 100 countries but has not been ratified by any industrialized nation. Its final adoption would require the United States and three dozen other industrialized countries to cut combined emissions of greenhouse gases by 2012 to 5 percent below their 1990 levels. The United States, which produces a

fourth of the world's emissions with 5 percent of the world's population, stands to be affected most by any final agreement. Bargaining broke down in November at The Hague, where the European Union rejected a compromise on sticking points that was offered by the United States and several other participants.

In a turnabout from a spate of recent criticism of President Bush on other conservation matters, some environmental groups are giving him more room this time around, saying the complaints from conservative corners may be intended to prompt him to discard quickly the years of work invested in the treaty.

They do say they are irked that Mr. Bush, quick to create a high-level team to develop new sources of oil and other fossil fuels, has not made any announcements about how the country will deal with the emissions from burning those fuels.

But with regard to the treaty, at least, no news is good news, said Eileen Claussen, president of the Pew Center on Global Climate Change. Ms. Claussen and some other environmentalists point to several moves that imply the administration is going to take the treaty seriously. For example, Ian Bowles, the senior director for environmental affairs at the National Security Council during the Clinton administration, has been retained for the time being by the Bush team.

There is a decent chance, environmental groups say, that upon reflection Mr. Bush will see merits in taking a historically aggressive stance on a strategic issue — in this case the global environment — much as another Republican president, Richard M. Nixon, did when he went to China.

"I'd rather that they be thoughtful about it before they make up their mind," Ms. Claussen said, "rather than rush to judgment, particularly if it's the wrong judgment."

USDA CHIEF WORRIES SIERRA PLAN'S BACKERS

Washington Post

The Sierra Nevada mountain range is renowned for giant sequoias and waterfalls, Yosemite National Park and Lake Tahoe. John Muir dubbed it the "range of light" and founded the Sierra Club in its honor. "No mountains I know of are so alluring," the naturalist wrote. "None so hospitable, kindly, tenderly inspiring. It seems strange that everybody does not come at their call."

Now, the tallest range in the lower 48 states is inspiring a not-so-tender dispute, a brawl over land use and logging that may foreshadow a sharp shift in national environmental policy. In the last days of the Clinton administration, the Forest Service announced a plan to limit logging in the Sierras, warning that the status quo could destroy old-growth forests and reprise the intense battle over the endangered spotted owl in the Pacific Northwest. But timber interests and "wise use" advocates, who oppose severe restrictions on private uses of public land, consider the 1,800-page plan radical environmentalism run amok and are calling on the Bush administration to scrap it to prevent deadly wildfires.

There's also a twist. The Agriculture Department, which oversees the Forest Service, will decide whether to approve, modify or reject the Sierra conservation plan outright. And President Bush's agriculture secretary, Ann M. Veneman, until recently represented the wise-use coalition that has led the vigorous fight against the plan.

In response to questions from The Washington Post, Veneman's spokesman said she will recuse herself from all decisions about the conservation plan to avoid any appearance of impropriety or bias. Still, Veneman's work for Sierra Nevada Access, Multiple-Use and Stewardship (SAMS) -- a coalition of 85 local groups, including timber firms, snowmobilers, chambers of commerce and off-road-vehicle enthusiasts -- may signal a major change from the anti-logging policies promoted by Forest Service chief Michael Dombeck.

Veneman helped prepare the coalition's formal comments and congressional testimony objecting to just about every aspect of the Sierra plan, particularly its "overemphasis on ecological sustainability" and its restrictions on logging. SAMS also lambasted President Bill Clinton's last-minute effort to ban road-building in nearly 60 million acres of forestland and to create a Great Sequoia National Monument in the Sierras. The Bush administration is reviewing those initiatives, too, and Veneman could play a key role.

"I'm not going to lie to you: It's very good news for us that she's the secretary," said SAMS President Thomas Barile. "The people in the last administration cared more about protecting species than protecting people. Ann Veneman cares about people."

In recent weeks, environmental groups have complained bitterly about Interior Secretary Gale A. Norton, a former Colorado attorney general who has strongly defended logging, grazing, mining and drilling on public land. In contrast, Veneman, who served as deputy agriculture secretary for Bush's father and ran California's agriculture department for Gov. Pete Wilson, has enjoyed enthusiastic bipartisan support on Capitol Hill. During her confirmation hearings,

Veneman was not asked a single question about forest issues.

Veneman's spokesman said the department would not comment on issues under review, and Forest Service officials referred questions back to Veneman. The Sierra plan faces a three-month appeal process; Veneman, who helped SAMS members arrange meetings about the plan with Forest Service officials and members of Congress, said through her spokesman that she decided to step away from the issue even though she may not be required to do so.

The plan was described in the Sacramento Bee as "one of the most extraordinary and potentially explosive land management experiments in America," and green groups believe that its fate in Veneman's department may provide an early test of Bush's commitment to conservation.

"We're obviously very concerned about the direction of the new administration," said Craig Thomas, conservation director of the Sierra Nevada Forest Protection Campaign. "We hope they realize that if they come out of the gate looking like Attila the Hun on these issues, they're going to buy a lot of their friends a ticket out of Washington in 2002."

The plan, known as the Sierra Nevada Framework for Conservation and Collaboration, would reduce logging in the Sierras by about 50 percent and allow the Forest Service to manage the range's 11 national forests as one ecosystem running 400 miles through California and Nevada. It would allow timber firms to cut down trees near low-lying communities in an effort to prevent wildfires but would rely on controlled burns in less populated high grounds. It would restrict off-road vehicle use a little and grazing a lot. And it would ban all logging of the range's oldest and largest trees, except to defend against imminent threats to public safety.

The framework, eight years in the making, was designed to keep the California spotted owl -- along with a few other Sierra birds, weasels and plants -- off the endangered species list after years of steady declines. In the Pacific Northwest, similar declines had forced the northern spotted owl onto the endangered list, prompting a blizzard of litigation and political warfare. So the Forest Service devised a plan for the Sierras aimed at preserving old-growth habitat to protect wildlife while thinning out fire-prone trees to protect people. The Fish and Wildlife Service has said the plan would keep the owls off the endangered list for now, and most of the 47,000 public comments have been supportive.

"This is a huge moment for the Forest Service, and for the Sierras," said retired University of California ecologist Don Erman, who led a \$6 million federal study of the Sierras in the mid-1990s. "There's a desperate need for this framework. It changes everything."

Not everyone is supportive, though. Critics complain that timber sales in the Sierra have dropped 75 percent since the late 1980s, decimating logging towns and converting the range into a tinderbox of dense, dry forests. The final plan announced Jan. 12, they say, would eliminate an additional 1,000 jobs for loggers, haulers and mill workers and doom the Sierras to a future of out-of-control fires like the ones that ravaged New Mexico and Montana last year.

SAMS is arguably the most vocal opponent. At a hearing last year chaired by then-Rep. Helen Chenoweth-Hage (R-Idaho), a conservative stalwart -- a hearing that Veneman helped arrange -- Barile accused the Forest Service of caving in to "deep ecologists" and "ultra-environmental groups." He argued that an overabundance of trees was worsening California's water crisis and that there was no proof of a link between old-growth habitat protection and spotted owl survival. The coalition's 31-page formal comments on the plan were even harsher.

"The [framework] is short on integration of science, disregards public comments, ignores human needs for forest resources, fails to provide analysis on risk to human life and property and will doom the region to a legacy of catastrophic . . . fires," the coalition said.

Barile confirmed that Veneman helped the coalition prepare its comments, and he described her as a skeptic when it comes to draconian environmental cure-alls. But he also said Veneman was the coalition's main voice of moderation, at times persuading its members to soften extravagant demands. In Washington and California, Veneman is described by Democrats and Republicans as a consensus-builder and a pragmatist.

"She's definitely reined me in," said Barile, who said SAMS has retained one of Veneman's law partners to replace her. "It's real easy to get extreme about this stuff."

But Veneman is also under pressure from western Republicans to hire conservative aides to deal with logging and grazing issues. During her confirmation hearings, Sen. Larry E. Craig (R-Idaho) delivered an impassioned speech about the "critical" importance of hiring a deputy who could transform the Forest Service's stance on logging. She is considering a former timber mill manager who worked for Chenoweth's subcommittee to be her top aide on forest issues, and her chief of staff is expected to be a prominent lobbyist for cattlemen.

"We're hoping for big changes," said Chris Nance, spokesman for the California Forestry Association. "Otherwise

you're going to see some real disasters."

The choice for the new administration seems fairly stark. Timber interests, SAMS members and many western Republicans believe that there are simply too many trees in the Sierras, fueling huge infernos that devastate mountain communities and don't help the owls much, either. They want Veneman's department to look hard at the \$2 billion bill the government ran up fighting forest fires last year. "People are species, too, you know," Barile said.

But environmentalists believe that there are not enough trees in the Sierras, imperiling a unique and delicate ecosystem that supports a wide array of wildlife. They want the new administration to listen to John Muir's words about the majestic mountains he considered as holy as Sinai: "They are given, like the Gospel, without money and without price."

SENATE PANEL TO ADVANCE ESEA WITHOUT BUDGET FIGURES

CongressDaily

The Senate Health, Education, Labor and Pensions Committee will be flying blind this month as it moves to mark up a reauthorization of the Elementary and Secondary Education Act that incorporates President Bush's high priority education plan, National Journal News Service reported. After taking testimony today from Education Secretary Paige, Health, Education, Labor and Pensions Chairman Jeffords acknowledged he is under orders from Senate leaders to move the Bush plan swiftly to the Senate floor, even though Paige told the committee that the amount of money to pay for the legislation will not be disclosed until the first week of April. "We will simply plug in the numbers and then they will probably be changed on the floor," Jeffords said in an interview after the hearing. He also admitted that he could not recall in the years he has served on the panel any time when it has marked up an ESEA bill without first having the numbers for the amount of money to be spent on each of the major titles in the measure. Nevertheless, Jeffords said he would forge ahead with writing a committee bill and reporting it to the floor for debate by mid-March — still some two weeks before the committee knows what the price tag will be.

During the hearing, committee Democrats repeatedly grilled Paige about costs, but Paige conceded that even he did not know what the numbers were going to be. Paige also acknowledged that the administration, which has not sent a bill of its own to Congress, expects the Senate and House education committees to actually write the legislation. He repeatedly referred to Bush's plan as "a blueprint" for the panels to follow in formulating the legislation. The House is not expected to take up its version of the bill until late March or early April, according to Education and the Workforce Chairman Boehner, who this week and next will be holding field hearings on various aspects of Bush's plan. Some committee watchers believe that the House bill will probably more closely reflect Bush's blueprint than the bill that emerges from Jeffords' committee.

DEMOCRATS CHALLENGE BUSH ON EDUCATION

Washington Post

Education Secretary Roderick R. Paige told a Senate committee yesterday that the Bush administration has yet to develop a budget to accompany its education reform plan. That prompted some Democrats to warn that they will measure the president's commitment to the issue largely by his willingness to contribute new money to it.

Appearing before the Senate Health, Education, Labor and Pensions Committee, Paige drew sharp questions from Democrats, who said that Bush's signature education reform plan would be meaningless without money to fund changes in the schools.

"Not that money is the answer to everything, but it's a pretty clear indication of a priority," said Sen. Edward M. Kennedy (D-Mass.).

While the federal government funds 7 percent of the nation's school costs, much of that money is aimed at bolstering the work of the most impoverished and lowest-achieving of the nation's 53 million schoolchildren.

As the reform plan rolls on a fast track toward Senate action, it is not yet clear how much Bush's core initiative of increased testing will cost or how much of the overall plan's cost the federal government will pay.

Bush outlined his education reform plan during his first week in office, calling the issue his top priority. The plan requires states to set educational standards and to test students every year in grades 3 to 8.

If schools fail to meet standards for three consecutive years, Bush has proposed giving \$1,500 vouchers to students to attend private schools or receive private tutoring -- a plan strongly opposed by most Democrats and some Republicans.

The plan will represent a real change for most school systems. While nearly every state has academic standards, many

have struggled to hold teachers, administrators and students accountable to them.

Bush also would require states to report student assessment results, and to break them down by race, gender and socioeconomic status -- something few states do.

During yesterday's hearing, several committee Democrats expressed concern that there will be little new federal money for education if Bush gets his proposed \$1.6 trillion tax cut. They pressed -- unsuccessfully -- for Paige to commit to initiatives not in Bush's plans, including expansion of the federal role in school construction and reducing class size.

Throughout the hearing, Paige refused to link money directly to a commitment to education reform -- a notion backed by several Republicans on the Senate panel. "We cannot measure commitment to education by mere dollars alone," said Sen. Tim Hutchinson (R-Ark.).

While Paige said there will undoubtedly be new money attached to Bush's plan, he said he is looking for savings in federal money already devoted to education.

"Obviously, more funding is better," Paige said. "But in many cases more funding might not be the catalyst for change."

As is the case with other federal agencies, Paige said he expects to have broad budget figures by the time the committee begins drafting legislation that would incorporate the less controversial aspects of Bush's plan later this month.

More specific budget information is not expected until April, Paige said. The education reform measure is expected to go to the Senate floor by early March for debate over the specific terms of the testing and voucher provisions.

BANKRUPTCY BILL GETS JOLTED OFF SENATE FAST TRACK

National Journal

WASHINGTON (Feb. 15, 2001) -- The Senate Republican leadership plan for swift "fast-track" action on a sweeping overhaul of bankruptcy laws suffered a setback Thursday when the Senate Judiciary Committee postponed consideration again.

Originally, Senate Majority Leader Trent Lott, R-Miss., wanted to bypass the committee and take the measure (S. 220) directly to the Senate floor. The legislation is virtually identical to a House-Senate conference report that easily cleared Congress last year but was pocket-vetoed by then-President Bill Clinton in December when Congress was out of session.

But after Democratic complaints in the evenly-divided Senate, Senate Judiciary Committee Chairman Orrin Hatch, R-Utah, held a hearing last week on the legislation and tried to hold a markup session two days ago to clear the bill. Democrats raised concerns and the markup session was rescheduled for Thursday. When it became clear Democrats would force another delay, however, acting committee chairman Charles Grassley, R-Iowa, decided to put off the bill's consideration until Feb. 27.

Hatch was in Utah and unable to attend today's session, an aide said.

The bill, which would be the first major revamping of federal bankruptcy laws in two decades, would make it more difficult for debtors to declare bankruptcy to avoid paying off creditors.

During Thursday's committee meeting, which was devoted to opening remarks, a Hatch statement read by Grassley urged Democrats to "exercise reasonable restraint" in offering amendments that could slow action on the bill. But Republican sources said they expected many Democratic amendments to the bill.

Some Democrats claim the bill is biased in favor of credit card companies and other creditors over the interests of consumers, especially low income people who go into debt through illness, job losses or other problems that are not mainly their fault.

Ranking Democrat Patrick Leahy of Vermont complained that the legislation, sponsored primarily by Grassley, had not even been printed yet so committee members could not properly offer amendments. But he said Democrats do not plan to be dilatory and block the legislation.

Sen. Dianne Feinstein, D-Calif., said she had concerns about the legislation that it "did not strike a balance between debtors and creditors." Among problems she cited was a means test in the bill to determine whether a debtor can receive Chapter 7 bankruptcy, which allows him or her to avoid debt repayment in most cases, or be required to file

under so-called Chapter 13 of the bankruptcy laws requiring a repayment plan over a period of years.

Discussing the means test, Feinstein said, "One size doesn't fit all." There was a difference between reckless spenders who amass debts and single mothers with children who are unexpectedly forced into debt, she said.

Feinstein also said there should be more requirements on credit card companies to disclose to customers the true long-term costs of paying only the minimum payments on their debts.

But Sen. Joseph Biden, D-Del., from a state where a number of credit card companies are incorporated, complained that some arguments against the bill are "spurious, that we are dunning poor folks." It's not true, he said, saying the bill has protections for poor mothers with problems, including collecting alimony.

"The bill is a solid bill," Biden said, but he also conceded it could be improved.

The House Judiciary Committee, after a contentious session, voted 19-8 Wednesday to approve similar legislation and send it to the House floor.

AS STATES CUT CORPORATE TAXES, INCENTIVES LOSE THEIR ADVANTAGE

Wall Street Journal

In the economic arms race to attract and retain high-wage manufacturing jobs, states appear to be shooting themselves in the foot.

The self-inflicted wounds result from a key weapon of choice: the formula that determines how much corporations pay in state income taxes. By manipulating that formula, economic-development officials can offer tax breaks worth tens of millions of dollars to entice companies to locate, expand or simply stay put in their state.

Specifically, many states are promising companies that they will give more weight to sales -- over property and payroll -- when determining state taxes. That can be a huge benefit to companies such as manufacturers that produce locally but sell out of state. Legislation to re-weight tax formulas is pending in at least five states -- New York, New Hampshire, Maryland, Minnesota and Oregon. And business interests in at least five other states are lobbying for similar proposals.

Race to the Bottom

But as more states pass such legislation, other states will be compelled to do the same, say tax experts and economists. And what will emerge, they say, is a classic race to the bottom, in which states compete with tit-for-tat responses until nearly all impose the same low level of tax liability. At that point, the economic advantage of lowering corporate taxes vanishes, leaving as the ultimate winner the companies that pocketed millions in tax breaks. "Everyone is racing to get there first, but once everybody gets there, the benefits go away," says Austan Goolsbee, a University of Chicago business professor who studies the economic impact of state tax policies.

That's already beginning to happen in the manufacturing-heavy Midwest and Northeast. Michigan made the first big adjustment to its corporate-income-tax formula in 1998 (estimated tax break: \$68 million annually); Illinois followed in 1999 (tax cut: \$95 million a year); and now Minnesota lawmakers are considering similar legislation, estimated to reduce corporate-tax revenues by up to \$64 million a year.

In the Northeast, Massachusetts completed its phase-in of a tax formula favorable to manufacturers last year; Connecticut put that same formula into effect this year; and Gov. George Pataki has proposed that New York do it this year, too.

Meanwhile in the West, Oregon lawmakers, who saw their corporate-tax-formula bill vetoed by Gov. John Kitzhaber in the past legislative session, are trying again this year, all the while watching California. There, manufacturing, technology, resource-extraction and entertainment firms are forming a coalition to seek the same advantageous tax treatment in the Golden State. "California has to protect its businesses that are based here," says Eric Miethke, the lobbyist representing the still-forming business coalition.

To understand how all this tinkering works, start with the traditional corporate-income-tax formula: Companies that operate in multiple states would pay taxes based on the amount of property, payroll and sales they have

in each state. A company with 80% of its property and payroll in a state, but only 50% of sales, would add that up and divide by three. Thus 70% of the company's total income would be considered in-state and would be taxed.

Many states have switched to a "double-weighted sales" formula over the years. Under that method, corporations would count sales twice, and then divide by four. The company in the above example would thus pay state taxes on just 65% of income. North Carolina's 1988 change to double-weighted sales produced a tax cut of more than \$50 million a year.

Now the trend appears headed to its logical conclusion: the "single sales factor" formula, which determines a state's portion of income based solely on in-state sales. With that method, the same hypothetical company would pay state taxes on just 50% of income. Most of the current efforts to rejigger corporate-tax formulas involve using sales alone.

Proponents say the single sales factor is good for economic growth because it eliminates the disincentive to corporate investment inherent in the traditional formula -- namely that companies increase their tax liability whenever they expand facilities or employment. Increasingly, they also argue that their states must make the change, or risk losing jobs to other states that have.

"If you make your big home industries less than competitive, they won't stay to grow and expand," says James Haney, president of Wisconsin Manufacturers and Commerce, a Madison-based business lobby trying to revive single-sales-factor legislation that failed last year.

Indeed, research by the University of Chicago's Mr. Goolsbee supports such arguments. He estimates that New York could, by adopting a single sales factor, add some 32,000 manufacturing jobs and generate more than enough new personal-income-tax revenue to offset the \$34 million loss in corporate-tax collections.

But there is a dark side to these gains: Other states feel compelled to respond in kind to neutralize the advantage. "Any one state clearly doesn't want to do nothing," Mr. Goolsbee says.

Short-Sighted?

Critics say the inevitable response means states are giving out millions for what at best are short-term advantages. Michael Mazerov, a senior analyst at the Center for Budget and Policy Priorities, a Washington, D.C., think tank, says he sees little evidence that the single sales factor has much impact against broader economic trends that are causing manufacturing payrolls to shrink. Illinois, he notes, has lost nearly 20,000 manufacturing jobs since moving to a single sales factor two years ago, and Massachusetts has shed more than 15,000 since it began phasing in the system in 1996.

Now, some companies are seeking additional tax advantages by lobbying for tax systems that benefit them most in each state in which they operate. For example, Kraft Foods, based in Northgate, Ill., supported a single sales factor in its home state, which was enacted in 1998. But Kraft, a unit of Philip Morris Cos., is opposing the same system in Maryland, where it would have to pay more taxes because it has a higher proportion of sales.

"A corporation's duty is to maximize profits for its shareholders," says Doug Lindholm, executive director of the Committee on State Taxation, an industry-funded Washington, D.C., nonprofit, to whom Kraft referred questions.

But is that fair? Dan Bucks, executive director of the Multistate Tax Commission, a Washington, D.C., group that recommends interstate tax policies, says such differences in tax systems mean companies can plan their operations so that only a portion of their income is subject to state income taxes. "The ordinary wage earner," Mr. Bucks notes, "is expected to be liable for 100% of [his or her] income."

Self-Defeating?

As more states woo employers with tax formulas like the "single sales factor," which benefits manufacturers, the incentives become less of a competitive edge and more of a drain. Here is the estimated loss in tax revenue for several states that have enacted or proposed such cuts:

States that adopted cut	Year	Estimated annual loss
Massachusetts	1996	\$100 million
Illinois	1999	95 million
Connecticut	2001	15-25 million
States considering cut		Estimated annual loss

Oregon	\$57-65 million
Minnesota	\$52-64 million
New York	\$34 million

On the Editorial Pages on February 16, 2001

THE ESTATE TAX: WHAT'S AT STAKE

By William H. Gates Sr.
Washington Post

The debate over whether to repeal the estate tax is fundamentally a debate about what sort of America we want to leave to the generations ahead. Nearly a century ago, reformers such as Theodore Roosevelt worried that the huge fortunes amassed during the Gilded Age would, if left untaxed, evolve into a dangerous, permanent aristocracy.

Such distinguished Americans as Supreme Court Justice Louis Brandeis saw the estate tax as a practical, democratic restraint on massive concentrated wealth and power. And in fact repeal of the estate tax today would widen the growing gap in economic and political influence between the wealthy and the rest of America.

Self-serving opponents of the estate tax are doing everything they can to confuse people. They give it a bad name, the "death tax," and imply that most Americans commonly pay it. In reality the estate tax is a tax on wealth, not death, and affects only the very wealthiest 2 percent of Americans. Poverty, on the other hand, afflicts one out of six American children.

Repeal would hand the heirs of America's most affluent a \$294 billion tax cut over the next decade. In 1997, almost half the estate tax was paid by 2,400 estates with assets exceeding \$5 million.

The consequences of estate tax repeal have been only partially explored. Repeal would ripple through our economy, reducing not just federal but also state revenues, and decimating the charitable sector.

The real costs of estate tax repeal would surface years from now. That drop of \$294 billion in federal revenue in the first 10 years would balloon to a \$750 billion loss in the second.

The estate tax currently brings in revenue -- some \$28 billion in 1999 -- equal to the entire federal expenditure for housing and urban development. Federal revenues lost through estate-tax repeal would have to be made up by increasing taxes on others or by cuts in Social Security, Medicare, environmental protection or other government programs important to our nation's well being.

Estate tax repeal would also squeeze state treasuries. About one-fifth of all estate tax revenues go to states through what is called a "pick-up tax." Repeal would cost states some \$5.5 billion a year, and when it was fully in effect, costs would approach \$9 billion. California is projected to lose \$937 million in 2000, and my home state of Washington would lose \$87 million.

Already, states are concerned and cutting back as the economy slows, tax revenues drop and state budget surpluses disappear. It would be unconscionable to give the wealthy a massive tax break at a time when crucial programs assisting children and seniors are on the chopping block.

The destructive impact on public programs would be compounded by a fall in philanthropy. For generations, the estate tax has provided the very wealthy with a powerful incentive for charitable giving. The U.S. Treasury estimates that complete repeal would reduce contributions to charity by up to \$6 billion a year.

Taxable estates give charities more than twice the amount given by non-taxable estates. In 1997 estates provided \$14.3 billion to charities. Nearly three-fourths of this came from estates worth \$5 million or more, and nearly 60 percent came from super-size estates worth \$20 million or more.

At a time when our society is counting on the charitable and independent sectors to become considerably more active in confronting social problems, estate tax repeal would devastate nonprofits ranging from educational institutions to faith-based organizations that aid the poor and disadvantaged.

The very landscape of America would be scarred. Our nation's land trusts, such as the Nature Conservancy, benefit enormously from the bequests of open space, farmland and wild areas encouraged by the estate tax.

Legitimate concerns have been raised about the need to protect America's family farms and small businesses from certain effects of the estate tax. The Tax Reform Act of 1997 went a long way toward addressing the estate planning needs of family-owned farms and businesses.

We ought to fix the estate tax by strengthening family enterprise protections and raising individual exemptions. Let's not harm the country by repealing it.

EVEN THE FAT CATS DON'T BUY IT

Los Angeles Times

For all the right reasons, the push for repeal of the estate tax is losing steam in Congress, in no small measure due to spirited opposition from those who would benefit most--America's leading fat cats. The problems with estate tax repeal

and other proposed tax cuts that disproportionately aid the wealthy are also beginning to attract opposition from moderate Republicans.

Proponents of the repeal, a key component of President Bush's \$1.6-trillion tax cut package, have wrapped the issue in sob stories of farmers and small businesses forced to sell out to pay the tax. But only about six of every 10,000 people who die each year leave a farm or small business as the bulk of the taxable estate. In these cases, the law could be easily and cheaply adjusted to ease hardship for survivors. Among estates now big enough to trigger the tax, the proposed changes would produce a massive windfall and perhaps remove the biggest single federal incentive for charitable giving.

The rhetoric of the campaign for the repeal of the "death tax" has been highly misleading, implying that when someone dies, half of the estate is gobbled up by the government. That's far from the truth. To pay any taxes at all, the estate must be bigger than \$675,000, or double that for a couple. Those limits will rise to \$1 million (\$2 million for a married couple) by 2006 and ought to continue to be indexed to inflation--another simple fix.

According to the latest Treasury Department figures, of the 2.3 million people who died in 1998, fewer than 2% left estates big enough to pay any tax. Although the top estate tax rate is 55%, few pay it; the average tax on the gross value of an estate in 1997 was 17% when all the exemptions, deductions and credits were factored in.

For family farms and businesses that might otherwise be forced to sell assets, the exemptions could be lifted high enough to eliminate the problem.

Opponents of dropping the estate tax altogether include John J. DiIulio Jr., Bush's advisor on the role of charities in social programs. He warned that the repeal would undermine charitable giving, which exempts contributions from estate taxes. George Soros, Bill Gates Sr. and more than 100 other wealthy people were more blunt, taking out soon-to-be-published newspaper ads to say repeal would "enrich the heirs of millionaires and billionaires, while hurting families who struggle to make ends meet."

Congressional Democrats helped to pass repeal of the estate tax last year, knowing that then-President Bill Clinton would veto it. This time, the support of the very rich ought to stiffen their spines to oppose repeal.

FOX STEPS UP TO THE PLATE ON HUMAN RIGHTS

By Daniel Wilkinson
Los Angeles Times

When President Bush visits with Mexico President Vicente Fox today, he may find something new: a Mexican leader ready to discuss human rights problems--in Mexico and in the United States.

Fox took office in December after a campaign in which he promised to promote the welfare of Mexicans who migrated north. His new foreign minister, Jorge Castaneda, took the cause to Washington two weeks ago, announcing Mexico's intention to "take a much more active role in the defense of human rights" and describing the treatment of migrants at the U.S. border as "intolerable."

When Fox talks directly to Bush, he might be expected to recount the long history of abuses committed by the U.S. Border Patrol, which include beatings, sexual assaults and shootings of unarmed migrants. Fox also could criticize the U.S. for failing to provide adequate oversight for its Border Patrol agents, a criticism already voiced by staff members of the U.S. Office of the Inspector General, who say they lack the resources to investigate all the complaints they receive.

Fox could question the U.S. Immigration and Naturalization Service's efforts to block border crossings near population centers, a policy that has not stopped the flow of immigrants north but has prompted many to cross at remote and dangerous border areas. Forbidding terrain in these areas has led to more than 1,400 immigrant deaths from exposure since the mid-1990s. And the hostile reception of private land-holders has resulted in migrants being shot at and even killed by ranchers. Last May, for example, a rancher near Brackettville, Texas, shot a border-crosser who had asked him for water. The 23-year-old man bled to death. In December, the separatist group, Republic of Texas, announced plans to send armed patrols to the Texas border region to apprehend undocumented migrants. While the U.S. government can't be expected to regulate the desert heat, Fox could insist that it do more to rein in its unruly citizens.

Once the topic of human rights is opened, there are other issues as well. One problem that might be on the agenda is the abuse many Mexicans face in the American workplace. Migrant farm workers in particular are often denied a minimum wage and basic safety protections, and their efforts to unionize are easily discouraged by the threat of a call to the INS.

Mexico, of course, has its own human rights problems, inextricably linked to the two other major issues on the Bush-Fox agenda: trade and the war on drugs. Both presidents are committed to expanding free trade in the Americas. But

the North American Free Trade Agreement side accord on labor rights has done little to curb widespread labor violations in Mexico. When, for example, U.S. officials found that Mexico's maquiladora factories routinely discriminated against pregnant women, the two governments reached an agreement to sponsor public "outreach sessions." But this did little to actually end the practice. Mexican maquilas have continued to conduct illegal pregnancy testing.

As for drugs, Fox recently announced his government's intention to fight a "war without quarter" against traffickers. But, without adequate safeguards, such an aggressive approach runs the risk of aggravating the human rights problems--arbitrary detention, torture and extrajudicial executions of alleged criminals--that already plague Mexico's criminal justice system. Also, the increasing involvement of the Mexican military in the drug war is likely to multiply the law enforcement abuses, in part because soldiers are trained for warfare more than policing and in part because they are not subject to prosecution in civilian courts.

It remains to be seen whether Fox is ready to tackle Mexico's human rights problems head on. One encouraging sign is his willingness to break with the Mexican government's long-standing practice of ignoring and silencing its critics. During his campaign, for instance, he promised to intervene in the case of a former general who was jailed for criticizing the military's human rights practices. And in December, he announced he would lift visa restrictions that made it more difficult for international organizations to monitor human rights practices throughout the country. Fox also says he is ready to talk to Mexico's most famous critic, Subcommander Marcos, the leader of the Zapatista rebels in Chiapas.

For the moment, however, the general remains in jail, visa restrictions for human rights groups still exist and peace negotiations in Chiapas have not been renewed. If Fox fulfills these promises, he will be in a better position to challenge Bush about human rights at future summits.