

## Report: Companies save billions in taxes

Through legal loopholes, many corporations pay less in taxes than the tax codes call for.

THE ASSOCIATED PRESS

WASHINGTON — Dozens of America's most profitable companies enjoyed tax-free years during the 1990s largely because of legal tax breaks, an independent study released Thursday found.

The report by the nonprofit Institute on Taxation and Economic Policy found that 250 companies paid an effective tax

rate of 20.1 percent in 1998, down from 22.9 percent just two years earlier. The federal income tax rate for corporations is supposed to be 35 percent.

Of the 250 companies studied, 41 enjoyed at least one year of no income taxes or an actual rebate from the federal government, despite pretax profits of \$25.8 billion from 1996-98.

If all 250 companies had paid the full 35 percent on \$735 billion in pretax profits, the study estimated the total income tax would have come to \$257 billion. But tax breaks put into law by Congress lowered those companies' tax bills

by \$98 billion over the three-year period.

Companies getting tax rebates in 1998 included Texaco, Chevron, Pepsico, J.P. Morgan, Enron and General Motors, the report found.

The study's chief author, Robert S. McIntyre, said companies lower their taxes through such breaks as depreciation write-offs, tax credits for research and development and deductions they take when employees exercise stock options.

"We hope our findings will encourage lawmakers to re-examine this important area of taxation," McIntyre said.

The report also found that the petroleum industry paid the lowest tax rate from 1996-98 (12.3 percent), followed by electronics (13.1 percent), forest and paper products (13.9 percent) and transportation (14 percent).

At the other end of the spectrum, publishing and printing companies paid 31.6 percent, gas and electric utilities paid 28.1 percent and retail and wholesale trade companies paid 27.6 percent.

"Anyone who worries about our economy's long-term growth has to wonder why the tax code is being used to favor some indus-

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Robert S. McIntyre  
study's chief author

tries and some kinds of investments over others, rather than letting market forces decide," McIntyre said.

### World/Nation

The Associated Press

#### New York City Who wants to be the winner of the White House?

Hoping that Regis Philbin's million-dollar TV touch would benefit the Democratic campaign for the White House, Al Gore and Joseph Lieberman separately appeared on the host's morning talk show, where Lieberman earned an ovation by reciting from memory the complete lineup of the Brooklyn Dodgers of the 1950s.

Gore, whose taped appearance will be broadcast Friday, demonstrated how a farm boy hypnotizes a chicken, after warning the host: "You're no spring chicken."

Lieberman, a diehard Yankees fan, appeared live, saying he had a short-lived Little League baseball career. He remembered that, after hitting a double once, he met a woman who thanked him for winning her a dollar — she said another spectator had wagered a buck that the young Lieberman would strike out.

#### Russia

##### No more Mir money may mean no more mission

MOSCOW — Russian officials said Thursday that the Mir space station, an aging symbol of Soviet space glory, is likely to be discarded soon for lack of money.

But officials also said no decision has been made yet, and the fate of the 14-year-old station was not even discussed at a meeting of space experts.

Deputy Prime Minister Ilya Klebanov, the Cabinet official responsible for the space program, reiterated what the government has said before: It cannot afford Mir.

"Therefore, we believe that the station will most likely end its existence in the first half of next year," Klebanov said.

#### Vatican City

##### Pope's resignation rumors decried by Vatican officials

An influential European cardinal has added his voice to speculation swirling for months — that Pope John Paul II, burdened by age and illness, may resign.

Cardinal Godfried Danneels of Belgium suggested John Paul might step aside next year, now that he has achieved his dream of leading the church into the new millennium.

Mere mention of the issue has angered the Vatican, which sees such talk as seeking to weaken the papacy. Reaction to Danneels' suggestion was swift.

"This is the personal opinion of Cardinal Danneels, which we do not confirm," said a one-line statement issued Thursday by the pope's spokesman, Joaquin Navarro-Valls.

#### New York City

##### 1/4 of youngest voters can't name presidential candidates

Young people are tuning out the presidential campaign in such numbers that they may be the most disconnected group of potential voters in the nation's history, MTV's top researcher said Thursday.

Surveyed a month before the election, one-quarter of people ages 18 to 24 couldn't name both presidential candidates without prompting, and 70 percent couldn't identify the vice presidential candidates.

Only one-third of young people polled in July said they were certain to vote in November, MTV said. That compares with 57 percent in July 1992.

#### Washington D.C.

##### Bangladeshi prime minister's killers likely to be deported

President Clinton promised Bangladeshi Prime Minister Sheikh Hasina support Thursday for an extradition treaty that could lead to deportation of three men convicted in Bangladesh of killing her father, the country's first prime minister.

Hasina described Clinton's response to her on the issue as "very positive, very positive." "Killers shouldn't get any refuge from any democratic country," Hasina said after a 45-minute meeting with U.S. officials.

## Reno: Add disabled, gays to bill

THE ASSOCIATED PRESS

WASHINGTON — Congress has a last chance to pass a law this year extending federal civil rights protections to homosexuals and the disabled, Attorney General Janet Reno said Thursday.

Legislation to expand the hate-crimes law was dropped from a compromise spending bill two weeks ago, despite earlier votes in both houses supporting the idea.

"The American people support this effort," Reno said at her weekly news conference. "Congress cannot outlaw hatred, but it should do all it can to combat hate-motivated violence before going out of session."

Reno asked Congress to resurrect the measure and pass it along with one of the last remaining spending bills headed to President Clinton's desk.

Her eleventh-hour appeal underscored the reality that the Clinton administration has dwindling opportunities to win passage of several items.

When the measure was dropped from defense bills in both houses this month, Clinton accused

Republicans of deliberately ducking it for fear its provisions covering gays and lesbians might anger the GOP's conservative core of voters just weeks before Election Day.



David Silverman/Newsweek

From the roof of an armored bus damaged in a bomb attack in the Gaza Strip, young Jewish settlers demonstrate outside Israeli Prime Minister Ehud Barak's residence earlier this week in Jerusalem. The bus, which was carrying about 40 settlers in the Gush Qatif region of the Gaza Strip, was under attack by the Palestinians who launched a pipe bomb against it and riddled the windows with gunfire.

## FBI, Yemen cooperate in suspect search

THE ASSOCIATED PRESS

ADEN, Yemen — Investigators widened their probe into the bombing of the USS Cole to Saudi Arabia and to a far eastern Yemeni province, Yemeni officials said Thursday, as rescuers recovered the final four sets of remains of sailors killed in the blast.

The remains that were removed from the ship Thursday will be flown home soon, Navy officials in Washington said. Thirteen bodies already had been flown to the United States.

The recovery of the remains came as FBI director Louis Freeh arrived in Yemen, held talks with

President Ali Abdullah Saleh and toured the U.S. warship, which was attacked Oct. 12 as it arrived to refuel.

The FBI director told a news conference that it was far too early to speculate about who may have sponsored or may be responsible for the bombing, which killed 17 sailors and injured 39.

"We are looking at this with an open mind," he said.

Saleh, in an interview with CNN, said "it could be" when asked if Osama Bin-Laden was behind the attack on the USS Cole. He also said it was possible that "elements from Afghanistan" were involved.

Freeh would not commit to that possibility. He said determining exactly who carried out the attack "will be governed by facts and forensics," adding that "we are far from making even preliminary judgments on this."

He said the FBI is supporting Yemen's investigation in a "junior" role and complimented Yemeni authorities' work in the case.

Yemeni security officials said Thursday that a search earlier this week of an Aden apartment where bomb-making equipment was found also yielded documents they believe originated in Hadhramaut, an eastern Yemeni province. A vehicle believed to be

used by the attackers also contained documents traced to Hadhramaut, the officials said on condition of anonymity.

They said investigators were dispatched Thursday to Hadhramaut, seeking more information to try to identify two men who used the Aden apartment and who have not been seen since the bombing.

Yemeni officials said another team of investigators was going to neighboring Saudi Arabia on Thursday. The officials provided no information on the leads that took them there. Many Yemenis from Hadhramaut have settled in Saudi Arabia.

## Battle stalls rescue attempt

THE ASSOCIATED PRESS

JERUSALEM — Israeli troops seeking to rescue stranded settlers on an outing waged a deadly battle with Palestinian gunmen for five hours Thursday on a rocky West Bank hill. The fighting threatened to scuttle a U.S.-brokered cease-fire after only a day.

One settler bled to death waiting for army rescuers who could not breach the heavy gunfire on Mount Ebal overlooking Nablus, security officials said. A Palestinian was killed early in the battle.

At least 10 others were wounded — five settlers and five Palestinians — and army rescue helicopters succeeded in evacuating only two settlers. The wounded were in moderate to serious condition, said settlers who took cover under continued heavy gunfire.

Palestinians said the settlers, who were on an outing under army escort, fired first.

But an Israeli army spokesman blamed the Palestinians, saying that the Palestinian Authority's failure to order back the gunmen was a "flagrant violation" of this week's cease-fire.

"There's been no attempt by the Palestinian Authority to stop this firing against innocent hikers, children, women. They're stuck at the moment without food, without anything," Col. Raanan Gissin told The Associated Press.

Two army attack helicopters hovered over the scene, and armored personnel carriers were ready to move in. Settlers called on the army to unleash the "full power" of the attack helicopters, an apparent reference to anti-tank missiles.

Gissin said the army was resisting such calls and allowing the helicopters to fire only their machine-guns because the gun-battle was taking place next to a refugee camp.

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