

Greenspan boosts Bush's plan to cut taxes

THE ASSOCIATED PRESS

WASHINGTON — Federal Reserve Chairman Alan Greenspan gave a major boost Thursday to President Bush's plan for across-the-board cuts in taxes, and at the same time, he warned of threats posed by the dramatic economic slowdown.

He said the U.S. economy's growth rate at present was "probably very close to zero."

Testifying before the Senate Budget Committee, Greenspan said rapidly expanding federal surpluses, which by one estimate will total \$5 trillion over the next 10 years, offered ample room both to provide tax relief and eliminate more than \$3 trillion in national debt held by the public.

By endorsing the economic soundness of cutting taxes, Greenspan bolstered Bush's efforts to build support in Congress for his 10-year, \$1.6 trillion tax-reduction package.

While there can be various reasons to adjust taxes, he said, "if you're asking strictly on the question of what is likely to contribute to maximum economic growth on average, then clearly tax reductions, which reflect lower marginal rates, will in the view of most economists be the appropriate direction in which we ought to go."

Still, Greenspan would not commit himself on whether the size of Bush's plan is appropriate because, he said, that is a political decision that Congress and the administration must make. Democrats contend Bush's tax cut is too large.

Bush originally suggested the package as a way to return excess tax money to Americans. Now, citing dwindling economic growth, he has said he may accelerate the program to ensure that the country does not slip into recession.

Greenspan endorsed this approach, saying while the tax program would come too late, it would help ensure a sustainable recovery.

"Should current economic weakness spread beyond what appears likely, having a tax cut in place may, in fact, do noticeable good," he said.

Previously, the Fed chairman had expressed a preference for using projected surpluses to pay down the national debt. Greenspan said he still believed debt reduction was the best use for the extra revenue, but government estimates projected more than enough surplus funds to pay off the debt before the end of the decade and still cut taxes.

"I must say, I never expected to see the day where I would be talking about anything other than reducing the debt," Greenspan said. "I'm running into the tyranny of zero, which is where you can't reduce (the debt) any more."

"And so, have my views changed? Yes, they've changed. They have to change. I see no alternative to that."

Republicans were quick to praise Greenspan's tax-cut support.

White House spokesman Ari Fleischer told reporters: "We're very heartened to see that



Federal Reserve Chairman Alan Greenspan, right, speaks with Senator Robert Byrd (D-WV) before giving testimony to the Senate Budget Committee Thursday on Capitol Hill in Washington, D.C. Greenspan told lawmakers Thursday that he was in favor of reducing marginal tax rates.

Chairman Greenspan has weighed in on the importance of cutting taxes to protect the economy.

House Speaker Dennis Hastert, R-Ill., said Greenspan's testimony "confirmed that the path advocated by President Bush

and the Republican Congress was the right one. Fiscal discipline combined with tax relief will keep our economy growing."

Clintons receive gifts of farewell

■ Furniture and china arrived at the White House for the former president and his wife.

THE ASSOCIATED PRESS

WASHINGTON — Steven Spielberg and his wife sent china worth \$4,920. New York insurance magnate Walter Kaye provided the china cabinet. Denise Rich, whose fugitive ex-husband was given a presidential pardon, chipped in two coffee tables and two chairs.

In the weeks before President Clinton left the White House and Hillary Rodham Clinton entered the Senate, the first couple received \$190,027 worth of furniture and other gifts.

As a senator, Mrs. Clinton is prohibited from accepting most gifts worth more than \$50. But since the presents arrived while she still was first lady, no such limit applied.

"The timing certainly does look bad," said Charles Lewis, head of the Washington-based Center for Public Integrity. "The

appearance is that she's enriching herself from public service."

Mrs. Clinton's spokesman, Howard Wolfson, did not respond to the criticism.

"The Clintons received many gifts over the course of their administration, which they disclosed like other presidents have," Wolfson said. Other presidents also have accepted lavish gifts, he said.

When Ronald Reagan left office in 1989, about 20 wealthy friends bought him and wife Nancy a \$2.5 million house in Bel Air, Calif.

After more than two decades in government housing, the Clintons now have two big homes with rooms to fill—a five-bedroom house in Chappaqua, N.Y., and another five-bedroom home in the Embassy Row area of Washington.

They should have little trouble. Financial disclosure documents released last week show the Clintons accepted gifts of sofas, easy chairs, rugs, an ottoman, paintings, lamps, china, flatware and sculptures.

More die in search of peace

■ After the death of three Israelis, Prime Minister Barak insists that the talks continue.

THE ASSOCIATED PRESS

TABA, Egypt — Israeli and Palestinian negotiators made progress on defining the borders of a Palestinian state Thursday, as peace activists and supporters of hard-line leader Ariel Sharon yelled at each other from boats sailing off the coast of this Red Sea resort.

The negotiators resumed their peace talks after a two-day suspension that followed the killing of two Israelis in the West Bank, and they kept pushing forward despite the killing of another Israeli, a motorist.

The motorist was shot and killed in an ambush outside Jerusalem in the West Bank a few hours after the talks had resumed. Israeli negotiators broke off a session with Palestinians and went into a side room, where Prime Minister Ehud Barak instructed them by telephone to continue, his office said.

Barak denounced the killing as "a despicable murder." In a leaflet circulated in the West Bank, a branch of Palestinian leader Yasser Arafat's Fatah group took

responsibility for the ambush. The group named itself the "Thabet Thabet Brigade," after a Fatah leader killed Dec. 31 in an apparent Israeli assassination operation. The leaflet said the shooting was revenge for Thabet's death.

Two Palestinians were killed in an overnight gunbattle with Israeli soldiers in the West Bank. Since violence erupted on Sept. 28, 375 people have been killed, including 318 Palestinians, 13 Israeli Arabs, 43 Israeli Jews and one German doctor.

In an interlude in the talks, the Israeli and Palestinian negotiators watched a green ship with a banner reading "Yes to Peace" sail down the coast from the neighboring Israeli city of Eilat.

Dozens of Israelis on the vessel, sailed by the Israeli Peace Now group, shouted "We want peace!" in Hebrew and Arabic toward the shore of Taba.

"People are coming here to tell us we need to finish the job," said Palestinian negotiator Yasser Abed Rabbo as he stood alongside his Israeli negotiator Yossi Beilin on a dock. The two laughed and waved at the ship.

At one point, three smaller boats circled the Peace Now vessel, carrying banners boosting Sharon, the hard-line candidate for prime minister in Israel's Feb. 6

election. The crews of the opposing sides shouted at each other as Egyptian coast guard dinghies circled nearby.

Negotiators said they were near agreement on the borders for a Palestinian state. Palestinian officials, insisting on anonymity, said the differences had been narrowed to about one percent of the West Bank.

Palestinian negotiator Nabil Shaath said the two sides were close to agreeing on allowing Israel to keep about 4 percent of the West Bank, to include main Jewish settlements, in exchange for some Israeli territory.

In public up to now, the Palestinians have been demanding a state in all of the West Bank and Gaza Strip and removal of all the settlements.

However, another negotiator, requesting anonymity, said there were still disagreements over the settlements. He said the Palestinians were demanding the evacuation of Maaleh Adumim, a city in the desert east of Jerusalem where more than 25,000 Israelis live. Barak has said that Maaleh Adumim would be annexed to Israel.

Negotiators said serious talks were in progress about Palestinian refugees, but no detailed talks had begun about Jerusalem.

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Education Bush's first concern

■ The president devoted his first week in office to the issue, unveiling his plan of action.

THE ASSOCIATED PRESS

WASHINGTON — President Bush promoted a cornerstone of his education package Thursday, telling teachers and parents at a school in a poor section of town that mandatory annual testing of students is "not a tool to punish, but a tool to reward."

Taking along his wife, Laura, and a few members of Congress, Bush went to Merritt Elementary Extended School, a flat, beige building in a predominantly black part of northeast Washington. One school wall contained a mural and the

slogan, "Education — don't leave school without it."

Inside, Bush and the first lady, a former librarian, watched third- and fourth-graders in green-and-white uniforms plow through their assignments. "You're doing English? How's it going?" Bush asked one boy.

Bush turned aside questions about whether federal vouchers that would allow students to transfer out of bad schools are a negotiable part of his education agenda.

"I'm sending up a bill that I think is really important," he said.

Bush devoted his first week in office to focusing on schools.

Besides unveiling his education plan, he played host to education experts at the White House on Monday and talked about his education agenda during several meetings with lawmakers.

Next week, Bush intends to detail his plan to provide federal funds for states to set up stopgap prescription drug programs for the poor while he sorts out a long-term plan for Medicare prescription drug coverage, said White House spokesman Ari Fleischer. That idea is opposed by many Democrats.

Thursday's visit to Merritt gave Bush his first chance to promote his education plan away from the White House. Beyond getting out of the house, Bush said he stopped by the school "to herald what happens inside the walls here."

"What happens here is there is a

"What happens here is there is a strong sense of accountability, which means there is a strong sense of the possible."

George W. Bush
United States president

strong sense of accountability, which means there is a strong sense of the possible," Bush said. "And by accountability, I mean testing children ... I believe it's the cornerstone of reform."

He was joined by Sen. Edward Kennedy, D-Mass., Sen. James Jeffords, R-Vt., Rep. George Miller, D-Calif. and Rep. John Boehner, R-Ohio, chairman of the House Education Committee.

Standing in the school's driveway, Kennedy said it was good that officials at Merritt work hard to help students. "In that kind of context, I think there's a good deal of sense to it," Kennedy said. "But we are a long way from, you know, from looking at the legislation."

After returning to the White House, the Bushes lingered in their limousine for several minutes, talking with Miller and Boehner. Later, Bush was meeting in the White House with 14 congressional education leaders, four of them Democrats, the latest of his gatherings with lawmakers.

World/Nation

The Associated Press

Italy Court rules pat on bottom not sexual harassment

ROME — You must remember this, a kiss is just a kiss. Now, an Italian court says a pat, even on the bottom, is just that — not sexual harassment.

The Court of Cassation, in agreeing with an appeals court ruling overturning a man's conviction, said it found no evidence he intended "an act of libido" and the pat appeared to be an "isolated" incident and "impulsive."

The case involved the manager of a public health agency in northern Italy and a woman employee who claimed the manager threatened to hurt her career if she reported the 1994 incident.

The man was found guilty by a lower court, which sentenced him to 18 months in prison and a fine of \$3,800, but the conviction was overturned on appeal.

The decision Wednesday by Italy's highest appeals court — the court that provoked an outcry in 1999 when it ruled that it was impossible to rape a woman wearing tight jeans — brought swift reaction.

Florida 13-year-old boy convicted of murdering 7-year-old girl

FORT LAUDERDALE — A teen who said he accidentally killed a 6-year-old family friend while imitating pro wrestlers was convicted Thursday of first-degree murder.

In three hours of deliberations, the Broward Circuit court jurors accepted the prosecution's contention that 13-year-old Lionel Tate intentionally stomped, punched and kicked Tiffany Eunick, which constituted child abuse.

Under Florida law, the jurors did not have to conclude Lionel meant the girl's July 1999 death to convict him, but that his actions were intentional and abusive.

Tate faces life without parole, although that could be commuted by the governor after hearing from the prosecutor. The teen does not face the death penalty because he is younger than 16.

Washington, D.C. Secret Service protection of Gore, Chelsea extended

The day before former President Clinton left office, he signed two directives ordering Secret Service protection temporarily extended for his daughter, Chelsea, and former Vice President Al Gore.

Clinton signed the directives on Jan. 19, his last full day in office, authorizing the extensions for several months, Secret Service spokesman Jim Mackin said Thursday.

He would not say for how many months the protection would be offered, how much it would cost or how many agents would be assigned to Gore and the former president's daughter.

New York 'Puffy' and Lopez still together despite rumors

NEWYORK — Despite published reports to the contrary, the romance between Jennifer Lopez and Sean "Puffy" Combs is still going strong, according to people in both camps.

Reports in New York tabloids on Wednesday and Thursday said the power couple had split up.

"They have not broken up. They are absolutely together," Lopez spokesman Alan Nierob said in a statement Wednesday. A Combs source declined to comment on the record, but insisted the pair had not split up.

Combs was arrested in December 1999 on weapons charges after police stopped a vehicle carrying the rap star and Lopez. Jury selection in the trial begins this week; it is possible that Lopez could be called to testify.

Correction

Because of a reporting error, quotations in a Thursday Daily Nebraskan story about black history month were misattributed. Venita Kelley, assistant professor of communication studies, African and African American studies and ethnic studies, relayed historical information about the month, which was started by Carter G. Woodson in 1926.