

COMING MONDAY

Those who think immigration pressures are bad today are in for a real shock: The combination of climate change and declining Mexican oil production are likely to magnify the problem.

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ECONOMICS

LET'S REDESIGN U.S. TAX CODE

We need a broad-based, low-rate system designed to spur growth

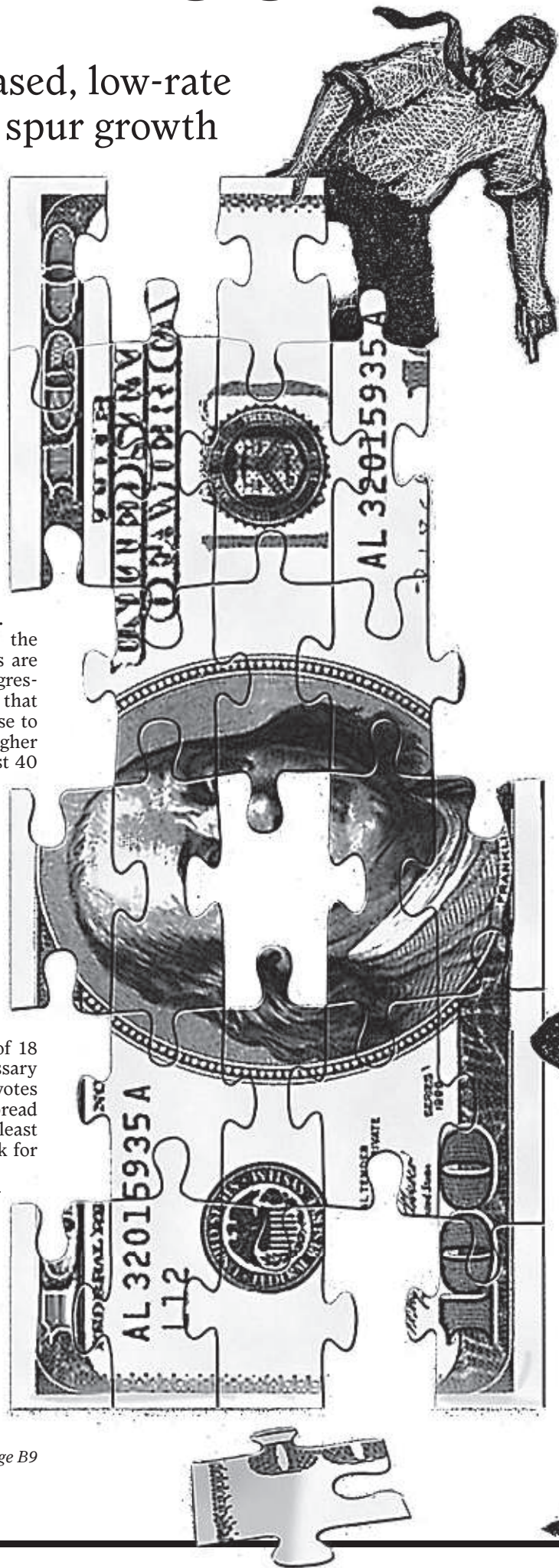
By JOHN W. DIAMOND

HAS the case for tax reform ever been stronger? The pending extension of the 2001 and 2003 tax cuts (11 different provisions) coupled with a grab bag of other temporary provisions — such as the extension of unemployment benefits, a 2 percent reduction in the employee payroll tax in 2011, a temporary extension of alternative minimum tax relief, temporary estate tax relief, temporary extension of investment incentives, and the temporary extension of certain expiring provisions (11 related to energy taxes, eight related to individual tax relief, 30 related to business tax relief, and five related to temporary disaster relief provisions) — is the best proof possible that we need fundamental tax reform. If more proof is necessary, consider the fact that if the 2001 and 2003 tax cuts are allowed to expire (eventually), the Congressional Budget Office (CBO) predicts that the revenue-to-GDP ratio would increase to 26.1 percent by 2050 — significantly higher than the 18 percent average over the last 40 years. Such a drastic increase in taxes would be a major drag on the economy, as would the uncertainty that would accompany the potential extension of these tax cuts in 2012 and every other time in the future such an extension was considered. So what goals should guide a major tax reform?

Earlier this month, the report of the National Commission on Fiscal Responsibility and Reform (NCFRR) put forth a proposal to put the United States on the path to fiscal responsibility. While this plan failed to receive the 14 out of 18 votes of the commission members necessary to be sent to Congress, it did receive 11 votes and subsequently has attracted widespread bipartisan support; it thus serves as at least one useful (albeit imperfect) benchmark for tax reform.

The NCFRR report proposed a reduction in individual marginal tax rates (for most taxpayers) below those that would prevail if the 2001 and 2003 tax cuts were permanently extended. For example, the report proposed reducing the top individual income tax rate to between 23 percent and 29 percent. This implies a reduction in the top individual income tax rate of 17 percent to 34 percent even if the 2001 and 2003 tax cuts are permanently extended. The commission also proposed slashing

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DIPLOMACY



TRACEY EATON

DISSIDENT LEADER: Martha Beatriz Roque was accused of taking money from the United States and sentenced to jail.

Factions spar over U.S. aid for Cuba

Program designed to back dissidents

By TRACEY EATON

HAVANA — When Cuban authorities threw Martha Beatriz Roque in jail in 2003, they accused her of taking money from the enemy: the United States.

Now out on parole, the dissident leader is unapologetic and remains a supporter of U.S. pro-democracy programs. “One must eat,” Roque, 65, said from her living room in Havana. “People can’t live on politics alone.”

But U.S. government programs aimed at helping dissidents and boosting democracy in Cuba remain controversial in both Havana and Washington.

Cuban authorities see the pro-democracy programs as an attempt at regime change. And they say they have living proof: Alan Gross, a development worker who was detained in Cuba one year ago this month and accused of distributing illegal satellite communication gear. Gross, 61, of Potomac, Md., was working for a U.S. subcontractor that was carrying out a pro-democracy program on behalf of the U.S. Agency for International Development, or AID.

The agency has spent at least \$140 million on pro-democracy programs in Cuba since 1996. AID says it has

used the money to help dissidents, political prisoners and their families, to strengthen civil society organizations, and to improve the flow of information to and from the island.

“There are many groups and individuals inside and outside Cuba who believe the funds are useful in supporting their ability to carry out their activities and promote fundamental freedoms...” AID responded to a request for comment for this story.

Some critics question the legality of AID programs in Cuba. “Sadly, I believe Alan Gross may stay in jail a long time, as long as these programs continue,” said Tony Martinez, editor of the United States Cuba Policy & Business blog. “I see the key to unlocking his freedom lies in our ending these covert and subversive programs.”

Defenders of the programs scoff at that kind of talk. They say the Obama administration needs to strengthen — not weaken — its support for Cuban dissidents. But as pro-democracy advocate Frank Calzon sees it, American diplomats have adopted a policy of “aggressive niceness” toward the socialist government.

“The message they are sending on the ground is that they don’t care about Cuba’s dissidents anymore and that’s music to the regime’s ears,” said Mauricio Claver-Carone, a board member of the pro-embargo U.S.-Cuba Democracy PAC.

A source who is knowledgeable about U.S. programs in Cuba found that accusation puzzling. American diplomats spend a “huge amount of time and effort ... supporting civil society issues.”

AID programs in Cuba have been under fire since 2006 when the Government Accountability Office said some grantees had kept poor records and misused funds, buying such items as Nintendo Gameboys, cashmere sweaters and Godiva chocolates.

The trouble continued in 2008 when Felipe Sixto admitted stealing more than a half million dollars while working at the Center for a Free Cuba, a major recipient of AID funds.

Some of the agency’s critics, including Sen. John Kerry, D-Mass., and Rep. Howard Berman, D-Calif., have demanded greater accountability.

“These programs were a mess for a long time. Nobody knew where the money was going, who was getting it, whether any of it was getting to the island,” said a congressional source who asked not to be identified.

“The programs are undergoing a course correction. The intent is to make them less hostile,” the source said. But hard-line activists and officials are “fighting tooth and nail to keep them as they were under Bush.”

Reversing Bush policies has been a struggle, a former State Department officer agreed.

“The bureaucracy has basically hijacked this policy, which then puts the political people in the position of trying

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RELIGION

America’s fight is against radicals, not Muslims

Remember U.S. tradition of tolerance

AS Americans, as Texans and as proud Houstonians, we have been saddened and alarmed by the growing hostility — in word, and in deed — being directed against Muslims in the United States.

In case you are unaware, several media reports from the past year underscore a deeply troubling trend. For example:

■ “A group of children leaving a Connecticut mosque had to brace themselves as they walked past a group of about a dozen protesters yelling ‘Islam is a lie’ and ‘Jesus hates Muslims.’ One man shoved his sign at them and yelled, ‘Murderers!’”

■ “A mosque was bombed in Florida, several mosques have been vandalized across the country and a Quran was burned at the Islamic Center of Greater Lansing (Michigan) with apparent fecal matter smeared on pages that were ripped out of it.”

■ “A 24-year-old Seattle man [was] accused of threatening to cut a woman and her infant because she is Muslim.”

■ And perhaps most troubling of all was the 21 year-old film student in New York City who repeatedly stabbed his cab driver this past summer after learning he was a Muslim.

In the face of these and other heinous acts, it bears reminding each other that this nation was established in large measure by those seeking to escape the same kind of religious persecution. No American should applaud or otherwise abide behavior that denigrates the proud tradition by which virtually every religion in the world is not only permitted here, but also freely practiced.

The fact is, every day, thousands in Houston and millions elsewhere around America live in the silent fear that some erratic, delusional or troubled member of their community will orchestrate a terrible event that reflects horribly on them and, by extension, their religious or ethnic heritage. These innocent, law-abiding

citizens worry that they, in turn, will become the unwilling targets of anger and reprisals.

Exacerbating the problem, many fringe special interest groups make money and generate easy headlines capi-

talizing on the fear of people toward immigrants, people of different faith backgrounds, sexual orientation and ethnicity.

Houston has been fortunate to have had very few public events of a prejudicial

nature that have garnered national news, and yet we are no strangers to the discrimination and occasional hate crimes that reverberate through our synagogues, mosques, churches and

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SETH WENIG : ASSOCIATED PRESS

VICTIMIZED: During a media conference on the steps of New York City Hall earlier this year, Ahmed Sharif, a Muslim taxi driver, shows where he was wounded on the neck by a passenger.

CUBA: Factions spar over democracy aid

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to wrestle it away from them. But, boy, that's like taking cocaine from an addict."

AID supporters, meantime, have accused Secretary of State Hillary Clinton of paralyzing the agency.

"When it comes to Cuba, the recent actions by the regime to arrest an American citizen have totally frozen our actions," said Sen. Robert Menendez, D-N.J., during an exchange with Clinton in February. "Are we going to have a permanent freeze...? Is that the policy of the State Department?"

No, Clinton replied, but "an intense review" is under way.

These bureaucratic tangles have slowed disbursement of AID funds. Only in recent months has the agency been distributing \$15.62 million that was budgeted for the 2009 fiscal year that ended Sept. 30, 2009.

"The vast majority of this money is intended for individuals on the ground in Cuba," said an AID statement that was posted on the Internet. "Our objective is to maximize the amount of support that benefits Cubans on the island. Since the \$15.62 million in fiscal year 2009 funds has recently been programmed, it is too early to have a precise figure at this point, but the overall goal is to have the funds directly benefit Cubans on the island."

The AID statement caught the eye of Cuban Foreign Minister Bruno Rodriguez, who read parts of it before the United Nations General Assembly on Oct. 26. Cuba "will change everything that needs to be changed, for the benefit of Cubans, but we will not ask the U.S. government's opinion," he said. "We freely chose our destiny."

Fidel Castro reiterated the foreign minister's speech on Nov. 1 and vowed that U.S. measures would not defeat the Cuban revolution. Cuba scholars Nelson Valdes and Saul Landau question whether aggressive U.S. tactics during the Bush administration violated U.S. law. They contend that American officials in Havana were trying to create chaos to undermine the socialist government. Instead, Cuban authorities arrested Roque and 74 other pro-democracy activists in March 2003 and sent them to jail.

Roger Noreiga, the assistant secretary of state for western hemisphere affairs from 2003 to 2005, said the United States did nothing wrong.

"Americans can be proud that this is one of a handful of

countries that has supported the aspirations of the Cuban people to claim control of their future from a cruel Stalinist regime. I am proud of being a fierce advocate for democracy, and I am confident that our efforts were carried out in full compliance with the spirit and letter of the law.

"I welcome a full debate on this matter because we must take stock of whether we are doing enough today and because we cannot forget that Landau's chums in the regime have taken an American hostage — Alan Gross."

Noreiga added, "I wonder if Landau watched *Hogan's Heroes* and cheered against the POWs."

James Cason, who was the top U.S. diplomat in Havana in 2003, said he is proud of his accomplishments in Cuba.

"The U.S. policy of trying to reach out to the people of Cuba has been undertaken with stringent congressional oversight. Attempting to criminalize policy differences is neither useful nor effective diplomacy and most certainly is not 'the American way.'"

"Through all these years, the fact remains: The tyrannical nature of the Castro regime does not result from U.S. policy. It is rooted in the Castro brothers' claim that they have the right to remain in power indefinitely and without regard to how the Cuban people feel about it. By now, blaming the United States is a tired and discredited gimmick."

Roque said she'll continue her fight for freedom despite any controversy. She received a 20-year prison sentence in 2003, but was released due to her failing health in 2004. Supporters of the Cuban government regularly harass and threaten her. Just the other day, they painted pro-government slogans outside her apartment.

She said state security agents also keep her under surveillance "every second, every minute of the day."

"I'm convinced my house is full of microphones. When I go into the street, they follow me. They film me. They go to the store after I've gone to ask what I bought, even asking for receipts so they'll know how much money I'm handling."

"This is our life. And it's a very unpleasant life, but it's our reality and it's how we live."

Eaton, a former editor at the Houston Chronicle, is investigating U.S. government pro-democracy programs in Cuba with the help of the nonprofit Pulitzer Center. He can be reached at maninavana@yahoo.com.

EDUCATION

HISD charter schools can compete with best



ENERGIZED: Children line up for lunch at Energized for Excellence Academy, an HISD charter school.

District offers 44 choices in wide variety of programs

By **TERRY B. GRIER**

CONVENTIONAL wisdom would have you believe that state open-enrollment charter schools are preferable to anything that a local public school district has to offer. But conventional wisdom by its very definition is subject to re-evaluation when all the facts are considered, and in this case, conventional wisdom is wrong. While outstanding state charter schools get a lot of well-deserved attention, they don't have a monopoly on charter school success. In fact, the Houston Independent School District operates its own charter schools, which are every bit as successful as their better-known counterparts. The majority of HISD's charter schools that received state accountability ratings in 2010 were rated either exemplary or recognized, and none rated below acceptable. I believe that level of accomplishment among our charter schools deserves acknowledgement and appreciation.

Nationally, charter schools were designed to be free from many state and local regulations in exchange for demonstrated improved student performance. This gave educators unprecedented flexibility and autonomy to implement game-changing ideas to reform foundering public education systems or to completely break away from them. HISD was an early adopter and established its own charter schools that embraced nontraditional instructional methods. In the 1990s, HISD was proud to support the development of the KIPP Academy as a charter school within the district.

Charter schools meshed well with HISD's culture since campus flexibility and autonomy were becoming accepted practice, but within state regulations. All principals — then and now — have the freedom

and responsibility to develop their own budgets, staffing, professional development and other issues affecting student achievement and campus environment. Entrepreneurship and accountability for results are expected at all HISD schools — not just charters.

Today, HISD's 44 charters are among many educational choices offered to students, such as magnet schools, virtual schools, Vanguard schools, career/technical programs, and, of course, traditional neighborhood schools. There is no single approach to educating a student population with different talents and skills, and that's why we make every school open to our students if space is available. School choice is intrinsic to our district vision and direction.

Even within our charter school program there is a choice. Internal charters are operated and staffed by HISD employees, housed in HISD buildings, and supervised by HISD administration. They also receive instructional support, extracurricular opportunities, transportation, food services and building maintenance. HISD's external charters, on the other hand, are wholly operated by agencies that are responsible for staffing and facilities. The district pays for these charter school programs because they offer special instructional expertise and established relationships within the communities they serve.

HISD's charter schools serve a population as diverse as Houston itself. Some students are clearly on the path to college, others are at risk of dropping out and still others have special learning needs. These students make up an HISD charter enrollment of more than 17,000 each year, with about 77 percent eligible for the school lunch program and 52 percent identified as academically at-risk.

Their successes are inspir-

ing. Challenge Early College High School and the East Early College High School are consistently among the top schools in the state and nation, as are Lanier Middle School, Briarmeadow Middle School, Energized for Excellence and Eastwood Academy. There are many reasons why these schools succeed. Certainly, students benefit from smaller class sizes, additional graduation requirements, multi-age classes, extended day and year, flexible instructional time, college-credit programs, or, for some, even single-gender programs like the two recently approved by our board of education. But it's also the dedicated principals and effective teachers who are absolutely dedicated to the charter philosophy.

Granted, there are still plenty of challenges around for everyone to tackle if we are to completely transform public education in Houston. HISD respects great state open-enrollment charters and seeks ways to support their work and partner with them to educate Houston's children. The evidence shows that the charter school model can be successful. But it's just one instructional method. In fact, data from the Texas Education Agency show that public schools in Texas (including HISD's charter schools) consistently outperform state open-enrollment charters on achievement tests. So much for conventional wisdom — again.

The breadth of our many instructional programs — including our charter schools — makes the difference and makes HISD a great choice. And even in tough financial times we'll keep offering a diverse array of educational opportunities for a diverse population to ensure that all students are college- and career-ready. We're here for all students. That's our job, and we're dedicated to it. Our doors are wide open — so, come on in!

Grier is superintendent of schools for the Houston Independent School District.

CODE: U.S. needs to redesign taxation scheme

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tax expenditures (or spending through the tax code) by \$785 billion in its illustrative proposal (with tax rates of 12 percent, 22 percent and 28 percent) and by as much as \$1.1 trillion in the extreme. In contrast, an extension of the 2001 and 2003 tax cuts includes a significant amount of tax "spending" in the form of tax credits and increased deductions (and not just for low-income households). The recent extension highlights the fundamental structural problem with the existing tax code — high tax rates and a narrow tax base caused by excessive spending through the tax code.

Thus one potential pathway to reform is to lower tax rates and reduce tax expenditures. Lowering tax rates will increase incentives to work and save, while reducing tax expenditures will maintain the necessary revenue base and also increase employment by reducing individual income and thus reducing the consumption of goods and leisure (and thus increasing labor supply) — referred to by economists as the income effect of a base-broadening, rate-reducing reform. Similar effects occurred under the Tax Reform Act of 1986 and would arise with enactment of the proposals in the NCFRR report.

Note that President Bush's Advisory Panel on Federal Tax Reform also recommended several reforms that would have reduced tax rates and increased the tax base by reducing tax expenditures. Unlike the NCFRR, these reforms expanded the tax-free-savings vehicles available to individuals and aimed to reduce the double taxation of corporate income, for example by specifying a lower 15 percent tax rate on interest, dividends and capital gains. The Bush panel's recommended reforms were a hybrid of an income and consumption-based tax. Interestingly, the reform options that move the tax system in the direction of a consumption tax base provided the greatest increases in capital accumulation and national output. Given the budget crisis facing the U.S., another potential pathway to tax reform that should be given serious consideration is moving to (or at least toward) a consumption-based tax system. Moving to a pure consumption-based tax offers the greatest efficiency gains and thus reduces the huge burdens being passed on to future generations. It also can be accomplished in a roughly distributionally neutral manner.

Whatever pathway we choose, it is critical that we implement a broad-based, low-rate tax system that is designed to increase economic growth. In addition, we must reduce expenditures and reform entitlements to limit the size of government, and thus the revenue required to fund the government, as much as possible. Lastly, we should implement these reforms, including significant expenditure reductions, in a timely manner after accounting for the fragile state of the economy (and the potential positive effects of enacting a plan that demonstrates fiscal prudence while avoiding the negative effects of passing on massive debts to future generations).

Diamond is the Edward A. and Hermena Hancock Kelly Fellow in Public Finance at the James A. Baker III Institute for Public Policy and an adjunct professor of economics at Rice University in Houston.



TRACEY EATON

U.S. PRESENCE: A car passes by the United States Interests Section in Havana, which represents the U.S. in Cuba.

RELIGION: Don't forget the U.S. tradition of tolerance

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temples.

The question now is: In the midst of a war against radicals who pervert the intent of Islam, are we going to assume that all faith communities are going to preach tolerance and respect toward those who are of different faith and culture? If we do, we run the very real risk of waking up one day to discover that the voices of fear, anger and prejudice have won because too many of us who believe that diversity and multiple faith communities are a blessing have been silent.

During another time of national challenge, President Franklin D. Roosevelt asserted that, "The only thing we have to fear is fear itself." Fear can immobilize not only individuals, but also stymie a community's ability to think and act reasonably.

The most painful example

of this, of course, transpired in Germany before and during World War II, when many good, hard-working, religious people were silent as they watched their neighbors marched out of their homes and into trains — never to return.

But as history proves, America is not immune from such irrationality. During World War II, under orders from President Roosevelt, Americans silently watched as 120,000 of their neighbors of Japanese descent were rounded up and taken to internment camps — their only crime being their heritage.

Today, once again, America is at war overseas against shadowy, evil forces trying to harm our country. This time, thankfully, national leaders from both of the major parties have urged us to continue practicing the tolerance that is one of the key pillars of our

open society.

And yet, as reports of attempted attacks against America continue to unfold, the fear and the anger against those accused of such evil intentions continues to build. To wit, during one recent outburst, a popular local radio talk show host expressed his hope that someone would bomb the controversial mosque in lower Manhattan if it is ever built. He later apologized, but the incident underscores our shared concern.

Now, more than ever, Houston's religious leaders are needed, and many are ready, to stand together and be a voice of understanding, trust and hope.

Now, more than ever, we must continue leading our respective communities and engage our neighbors of other faith traditions so Houston remains a proud beacon of

diversity.

While we must remain vigilant and alert to the enemy from beyond, so too must we also be mindful and aggressive in opposing the enemy from within. During this season of hope and goodwill, let us rededicate ourselves to our founding principles of freedom with tolerance so that we, too, might form a "more perfect Union."

This article was submitted by Archbishop Joseph Fiorenza, archbishop emeritus of the Archdiocese of Galveston-Houston; Rabbi Samuel E. Karff, rabbi emeritus, Congregation Beth Israel; Rev. Dr. William A. Lawson, pastor emeritus, Wheeler Ave Baptist Church; Dr. Basheer Khumawala, University of Houston professor and Muslim leader; and Rev. Stephen D. Quill, executive director, Truthouston.



STEVEN HIRSCH IS ACCUSED OF SLASHING TAXI DRIVER AHMED SHARIF AFTER SHARIF SAID HE WAS A MUSLIM.