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COMMENTARY

By Peter Coy

CLEAN AIR IN AN ERA OF CHEAP OIL

L.A. HAZE: *Market forces may keep pollution in check*

The expensive oil of the 1970s and early 1980s had one virtue: By discouraging consumption, it lessened the pollution caused by the burning of gasoline, diesel, and other petroleum products. Environmentalists hoped rising oil prices would promote a switch to cleaner energy sources such as solar power.

If oil instead remains cheap for decades to come, the harm to the environment from sulfur dioxide, carbon monoxide, particulates, and other poisons could be enormous. Combustion of oil, coal, and other carbon-based fuels may also overheat the planet by creating an insulating layer of carbon dioxide. Indeed, cheap oil is bound to complicate efforts to achieve a treaty on global warming in Kyoto, Japan, this December (page 158).

PRICE TAGS. Luckily, there's growing support for a new pollution-fighting approach that harnesses market forces instead of fighting them. The concept—embraced by economists and market-savvy environmentalists—is to charge polluters for each unit of pollution they emit. A few polluters that can't easily cut emissions will pay a hefty cost, but many others that have the technology to cheaply cut emissions will be motivated to reduce them far more than they would have under traditional regulation. The result: Profit-seeking behavior leads to bigger reductions at lower costs than might have seemed possible.

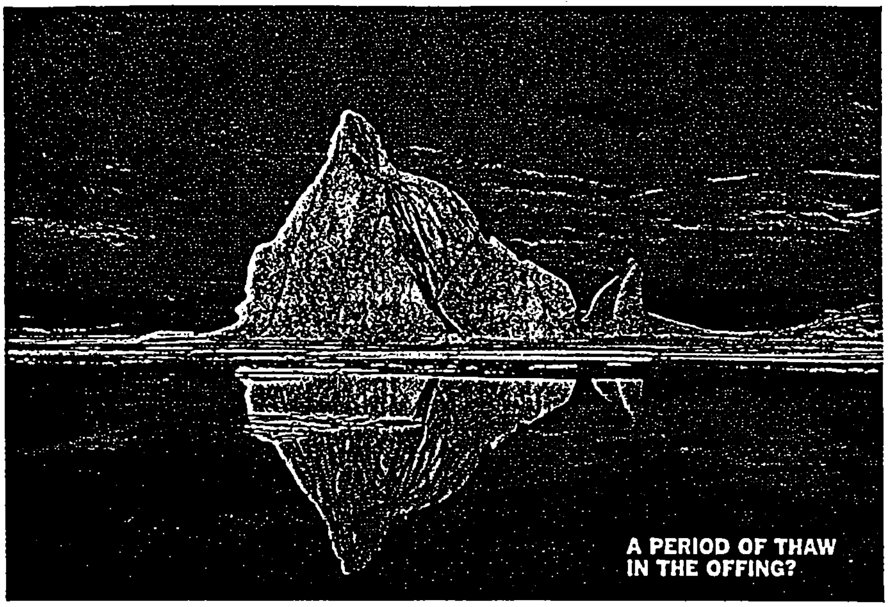
Putting a price tag on pollution can be done either by taxing emissions or by issuing (or auctioning off) tradable emission permits. Already, the U.S. has taxed chlorofluorocarbons (CFCs) to protect the ozone layer and has used permits for sulfur dioxide to reduce acid rain.

Heading into the Kyoto summit, the Clinton Administration is advocating a worldwide system of tradable permits for carbon dioxide emissions. Under such a system, a U.S. electric utility with good environmental technology could earn permits by cleaning up inefficient generating plants in developing countries.

The world may not be ready for strong action against global warming, especially since people are still debating how serious a problem it is. Meanwhile, though, taxes or permits could certainly be effective against other pollutants from oil combustion. Technology creates pollution by making oil cheap. In turn, market-based environmentalism can stimulate the development of technology that could make the pollution go away.

Coy is associate economics editor.

Business Week 11/3/97



A PERIOD OF THAW IN THE OFFING?

CLIMATE

GLOBAL WARMING: IS THERE STILL ROOM FOR DOUBT?

Sorry, skeptics. Scientists say they have the smoking gun

On Oct. 13, the CEO of Exxon Corp., Lee R. Raymond, told the 15th World Petroleum Congress in Beijing three things: First, the world isn't warming. Second, even if it were, oil and gas wouldn't be the cause. Third, no one can predict the likely future temperature rise.

Many others in industry and government are skeptical of the threats posed by global warming, and they would likely agree with Raymond's conclusion: "Before we make choices about global climate policies, we need an open debate on the science, an analysis of the risks, and a careful consideration of the costs and benefits."

The call for scientific debate is 10 years too late. The costs of dealing with global warming are uncertain, but in the past decade global warming itself has become one of the most exhaustively debated subjects in science. The result is a solid consensus on the scientific facts. According to the consensus, Raymond's three assertions are wrong.

In December, 160 nations will meet in Kyoto, Japan, to consider a treaty designed to curb greenhouse gas emissions. On Oct. 22, President Clinton said he will propose reducing greenhouse gas emissions to 1990 levels sometime between 2008 and 2012, with further reductions after that. To meet that goal, he called for an emissions trading plan and $5 billion in tax credits and R&D to spur adoption of more energy-efficient technologies. Japan and Europe are pushing for even steeper cuts. The task won't be easy. U.S. emissions in 1996 were already 8.3% above 1990 levels, according to a new Energy Dept. report.

ASSESSING THE CHANGE. The scientific consensus on global warming comes from the Intergovernmental Panel on Climate Change (IPCC). It was established in 1988 by the World Meteorological Organization and the United Nations Environment Program to assess the science of climate change, determine its impacts on the environment and society, and formulate strategies to respond. More than 900 scientists from 40 countries have participated as authors or expert reviewers in the IPCC's latest report, published in 1995.

"It's absolutely the best assessment body we have," says Rosina Bierbaum, acting associate director for environment in the White House science adviser's office.

"It's a look at the state of the art—what we know about the climate system," says Gerald Meehl of the National Center for Atmospheric Research in

JOHN BEATTY/TONY STONE IMAGES

Business Week 11/3/97

Boulder, Colo., a lead author for one of the report's chapters. "Literally thousands of people wind up reading these things.... It's the consensus view of just about everyone who's chosen to become involved." In June, some 2,400 scientists signed a letter saying they endorsed the findings.

The basics of global warming are simple. So-called greenhouse gases—including carbon dioxide and methane—build up in the atmosphere. Carbon dioxide is the most important of the greenhouse gases generated by human activity. The gases trap the sun's heat, like a car parked in the sun with the windows closed. Couple that with a basic fact: The amount of carbon dioxide in the atmosphere has risen by 30% since pre-industrial times (about 1750). The implication is that temperatures are rising, and that's what the IPCC was charged with studying.

HUMAN CULPRITS. In his speech, Raymond acknowledged that some measurements show warming but added that "satellite measurements have shown no warming trend since the late 1970s. In fact," he concluded, "the earth is cooler today than it was 20 years ago." In its 1995 report, the IPCC disagreed. It said the temperature at the earth's surface, where it matters, has increased from one-half to 1 degree F since the late 19th century. The 20th century has been at least as warm as any other century since 1400 A.D., and recent years have been among the warmest on record.

On the causes of global warming, skeptics make the argument that most of the greenhouse effect comes from water vapor and only 4% of the carbon dioxide entering the atmosphere is due to human activity. "Leaping to cut this tiny sliver of the greenhouse pie... defies common sense," as Raymond put it.

Not so, said the IPCC—the 30% rise in atmospheric carbon dioxide during the industrial era is due to human activity and is responsible for the warming so far. In cautious language generated by extensive discussion, the IPCC produced what scientists say is the smoking gun: "The balance of evidence suggests a discernible human influence on global climate."

Last, skeptics say that predictions of future warming are notoriously inaccurate. Raymond agreed, but the IPCC doesn't. Continuing improvement of computer projections "has increased our confidence in their use for projection of future climate change," it said. The IPCC concluded that by 2100, temperatures could rise 2 to 6 degrees F, depending partly upon how fast carbon dioxide levels rise. That could lead to a sea-level rise of 6 to 38 inches and changes in the frequency of drought and flooding.

The IPCC admits there are uncertainties in the science. But that doesn't undercut the IPCC's conclusions. "This is an ongoing research problem," says Meehl.

As the Kyoto meeting draws near, many in the business community are campaigning vigorously against limits on fossil fuel use, saying such curbs could stifle the economy. Environmentalists are lobbying just as hard for binding limits on greenhouse gas emissions. That's a political issue, not a scientific one. And there the IPCC has no answers.

By Paul Raeburn in New York

The Climate Consensus

These are the conclusions reached by the United Nations Intergovernmental Panel on Climate Change (IPCC), the authority on global warming:

HOW WARM WILL THE EARTH GET?

The IPCC estimates that global surface temperatures could rise 2 to 6 degrees F by 2100. Temperatures have risen about half a degree to 1 degree F since the late 19th century.

ARE HUMANS RESPONSIBLE?

"The balance of evidence suggests a discernible human influence on global climate," according to the IPCC's 1995 report.

WHAT ARE GLOBAL WARMING'S CONSEQUENCES?

Crop yields will fluctuate, improving in some areas and plummeting in others. Overall global agricultural production probably won't change. Sea level is projected to rise 6 to 38 inches. A possible increase in extreme weather could batter coastlines and cost lives. The warming would cause "significant loss of life."

HOW COSTLY WOULD IMPROVEMENTS BE?

Improvements in energy efficiency of 10% to 30% are feasible at little or no cost. Gains of 50% to 60% are possible in some areas. There are many options for reducing emissions of greenhouse gases, but some depend on lowering the cost of alternative technologies.

FINANCIAL TIMES
Friday October 24 1997

Getting warm

The US proposal for a reduction in emissions of greenhouse gases – to bring them back to 1990 levels over the next 15 years – has been condemned by many as profoundly disappointing. Yet it is probably the best that could have been expected. And it will at least provide the rest of the world with a firm basis on which they can seek to negotiate a global agreement.

President Bill Clinton was caught in an impossible bind in attempting to come up with a reasonable proposal. He is personally convinced of the scientific case for drastic action to ward off the threat of global warming. But he faces powerful business and political lobbies adamantly opposed to any move in that direction.

His plan sounds much more cautious than the European Union call for emissions to be cut 15 per cent below 1990 levels by 2010. But in terms of the effort required by US industry, whose emissions are already some 11 per cent above the 1990 level, it is roughly equivalent. And equivalence of effort between the industrialised countries is probably the best that the UN climate conference in Kyoto in December can hope to achieve.

There will be no perfect solution. Much work is still needed to persuade developing countries also to make an effort to cut their industrial emissions, as well as countries like Australia, which see themselves caught in the middle. What is most important is to start the process of curbing emissions, and to make the targets realistic and achievable. In those terms, Mr Clinton's effort is not bad after all.

The Washington Post

AN INDEPENDENT NEWSPAPER

Mr. Clinton on Climate Change

WITH 4 PERCENT of the world's population, the United States produces more than a quarter of the greenhouse gases that threaten to disrupt the globe's climate in coming decades. If the United States does nothing to change the pattern of energy use that produces those gases, no other country is likely to take steps, either. And if no one alters the rising trajectory of greenhouse-gas emissions, the consequences—global warming, coastal flooding, more intense storms—could be disastrous.

That, in brief, is the logic behind the proposal President Clinton put forward Wednesday to reduce U.S. greenhouse-gas emissions. His proposal arouses skepticism in important respects and leaves many big questions unanswered. It was immediately attacked by some environmentalists, who said it does not go far enough, and by some industrialists and Republican leaders, who said it would have dire economic consequences. In fact, it represents a fair start on what is certain to be a long-term and complex challenge.

The legitimate skepticism arises in the first instance from a promise Mr. Clinton made in 1993—that the United States would get its greenhouse-gas emissions down to 1990 levels, despite a decade of economic growth, by the year 2000. In fact, the latest projections suggest that U.S. emissions will be about 13 percent above that target; they surged by 3.4 percent last year alone, thanks to cheap fuel and relatively rapid economic growth. Now Mr. Clinton proposes to get the United States back to that 1990 level by sometime between 2008 and 2012, with further reductions to follow. Moreover, he proposes to do so by relying initially on voluntary measures of the sort that proved inadequate during this decade, and on tax cuts and federal research grants of the sort that Congress has thus far been reluctant to support.

What's new, though, is his proposal that reductions would become mandatory beginning in the year 2008—and that industries would receive credit then for any efficiencies they achieve in the meantime, beginning now. In 2008, in other words, companies would be limited in how much greenhouse gas they could emit. Those too inefficient to meet the targets would have to buy "emission rights" from the virtuous ones who could produce their widgets while polluting less than allowed. This kind of trading system, which has proven successful in controlling acid rain, would create a powerful market incentive to reward innovation and efficiency. If industry is sure the system will go into effect in 2008—a big if—it will want to begin making changes now.

Wednesday's announcement emerged out of a typically tortuous Clinton White House process, with much of the content uncertain until the last minute. But forming the proposal was the easy part; now Mr. Clinton has to sell it to two, diametrically opposed audiences. In Kyoto in December, the world's nations will gather to try to hammer out a climate-change treaty. Europe and Japan will argue for more drastic reductions than Mr. Clinton has proposed, and developing nations will resist his demand that they, too, assume some obligations for greenhouse-gas reduction. If a treaty nonetheless emerges from that negotiation, he will then have to sell it to a Congress that is, in large part, skeptical about the science of climate change and unwilling for the United States to pay any price at all to avert disaster. So this is only the beginning. But insofar as it represents a serious commitment to deal with climate change, it's an important step.

San Francisco Chronicle

Friday, October 24, 1997 · Page A24

EDITORIAL -- Clinton's Modest Plan Against Global Warming

IN RECENT weeks, the White House had been sending clear and disturbing signals that it was about to cave in to industry on the issue of global warming. The administration was considering enormous loopholes for companies and countries that found it too burdensome to reduce heat- trapping gases within a specified time.

Against that backdrop, President Clinton's announced proposal for the December climate-change summit in Kyoto, Japan, appears downright tough. The U.S. plan would stabilize emissions of carbon dioxide and other gases from industrialized nations to 1990 levels between 2008 and 2012.

However, the Clinton approach -- a compromise between the industry groups that predict near-term economic gloom and the environmentalists who warn of long-term disaster -- puts the United States at the go-slow end of the spectrum in Kyoto.

The European Union, by contrast, wants to cut emissions 7.5 percent below 1990 levels by 2005; an alliance of island countries most worried about the consequences of climate change want to cut emissions 20 percent below 1990 levels by 2005.

The 1990 levels have served as the inter national benchmark since a 1992 summit in Rio de Janeiro, in which more than 150 nations agreed to reduce emissions to that standard by the turn of the century. Most have failed, including the United States, which is expected to exceed that level by 13 percent in 2000.

Clinton's proposed thresholds, though relatively weak, should significantly increase the chances that the Kyoto summiteers will produce binding targets for reducing these emissions that have been spiraling upward since the industrial age.

As important as the target dates and levels are the strategies for meeting them. The White House has made a major contribution to the deliberations by proposing a system of rewards for countries and companies that come up with innovative ways to reduce greenhouse-gas emissions. Under Clinton's plan, countries that reduce their emissions below the agreed- upon limit would be allowed to sell their unused emissions ``credits'' to other countries. This system -- designed to stimulate free-market competition for clean technology -- has successfully helped this country reduce pollutants that cause acid rain.

The president's plan still leaves some key issues unaddressed, such as what requirements would be imposed on large developing countries such as China.

Overall, however, Clinton's global-warming plan merits at least a marginally passing grade. It finally puts the United States in a credible position to work toward an international agreement in Kyoto, and one that has a chance of passage on Capitol Hill.

Los Angeles Times 10/24/97

Where Have All the Glaciers Gone?

■ Global warming: The corporate world argues that we should do nothing now, but the evidence argues for action.

By BRUCE BABBITT

CATARACT CREEK, Mont.—It is late morning, the last day of summer. I am hiking through Glacier National Park in search of its namesake. So far, in vain.

A century ago, this would have been ~~easy. Huge glaciers ground down the~~ Livingston Range, filling turquoise lakes, sustaining trout that fed bald eagles and grizzlies and replenished wetland meadows of heather, beargrass, lupine, aster and glacier lily.

Yet on this trek I have not seen a glacier.

Of course, all glaciers move—over geologic time. But during the last 100 centuries, the temperature rose fastest in this one, eroding 70% of the park's glacial area, driven by 10 of the hottest years on record. Are glaciers—Earth's storehouses of condensed water—shrinking unnaturally fast? As custodian of America's parks, that question haunts me, leads me higher.

Following maps to "the foot of Grinnell Glacier," I find only barren dry rock. A sign reads: *The glacier extended here in 1911.*

By then the Industrial Age was six decades old. Factories burned coal at an unprecedented rate. Henry Ford would soon begin mass production of the Model T, whose internal combustion engine would revolutionize the world—and its need to burn oil. Atmospheric carbon dioxide had increased 20 parts per million (ppm); Earth's mean temperature rose .2 degrees.

Catching my breath, I continue up, where the air is thinner. The carbon dioxide spewed up over Charles Dickens' London and spread around the Earth still hovers above. We cannot see, feel, smell, taste or sense these increases. So what do they mean?

A scientific consensus, including Nobel Prize winners, holds that global warming is underway and "the balance of evidence suggests a discernible human influence."

I drink from my canteen at the next sign: *The glacier reached here in 1937.* By then humans had concentrated another 15 ppm of carbon dioxide. Temperatures measured 57 degrees, .5 hotter than 1911.

The scientific conviction rests on a proved foundation: Atmospheric layers of gases (water vapor, methane, nitrous oxide and carbon dioxide) let in sunlight, then trap heat, much like car windows. Trouble comes when humans artificially pump up the volume to unnatural levels. Concentrating carbon dioxide "thickens the glass" to trap more heat. To do nothing is to leave children and grandchildren locked in a car on a hot day with the windows sealed tight.

I wipe sweat from my face at the next sign: *The glacier reached here in 1968.* By then humanity concentrated another 15 ppm of carbon dioxide; Earth measured 57.2 degrees, .2 degrees hotter than 1937. Can we "crack open the windows" in time? Looking around, I know it was easier to protect Glacier National Park from logging or development than it will be to stop its glaciers from shrinking. Can we "think global, act local" regarding climate change?

No. But we can invert the slogan to think about what we may lose locally, then act at a global forum. That forum comes in Kyoto, Japan, seven weeks hence, where 165 nations will try to reach agreement on binding targets and timetables to reduce emissions.

Another 200 feet higher, another sign: *The glacier was here in 1979.* In one decade, humans added 15 ppm of carbon dioxide; Earth's temperature hit 57.4, another .2 degrees hotter.

How we reach those emissions targets can be market-based. For example, the Environmental Protection Agency's emissions-permit trading system is reducing acid rain 40% faster than expected, at 10% of the projected cost. Rewarding efficiency spurs new technology, growth and jobs around the world.

But industry underestimates its own capacity. In response to the challenge of environmental goals—clean air, unleaded fuel, acid-free rain, ozone without Freon—multinational corporations band together like a Greek chorus to predict job losses, soaring fuel prices, economic doom. The loss of plastic foam cups made with chlorofluorocarbons, they once warned, meant the end of civilization.

Just as tobacco companies hired "scientists" in white lab coats to assure people that cigarettes do not cause cancer, industries (with notable exceptions like GM and British Petroleum) showcase in-house "skeptics for hire" to create the illusion of scientific uncertainty. Their $13-million ad campaign argues that the U.S. must do nothing until matched by countries like Nigeria (annual per capita income: $995) or Bangladesh ($224) which emit 10 tons of carbon dioxide to every 1,500 from the U.S.

The glacier appears ahead. Another decade, another 15 ppm of carbon dioxide. By 1989, Earth's temperature rose .2 degrees, to 57.6 Fahrenheit.

But in 1989, the U.S. signed the Montreal Protocol, which phased out the use of ozone-destroying Freon and chlorofluorocarbons. Led by industrial nations and followed by developing countries, it was a huge success, a model for Kyoto.

I check my watch. Noon. Last year Earth averaged 57.9 degrees, or 1.6 degrees hotter than in 1860. Atmospheric carbon dioxide now measures 360 ppm; that's 30% higher than at the start of the industrial era, higher, in fact, than in the past 160,000 years. In half a century, that could double.

My shirt is damp. The glacier is melting before my eyes, flowing to the sea, drop by drop. A sign: *In 2030 these glaciers may be gone.*

No one asserts that mankind alone caused ice glaciers to melt and sea levels to rise up to 10 inches this century. But we have undeniably created conditions that accelerate the process. Recall the Book of Job, where the Creator spoke out of the whirlwind after Job's suffering, demanding:

Where were you when I planned the Earth . . .
When I closed the sea with barriers and set its boundaries . . .
Have you seen where the snow is stored or visited the storehouse of hail,
Which I keep for the day of terror, the final hours of the world?

As we reset the sea's boundaries and liquidate glacial storehouses, this passage is not a prophesy of doom but a call for humility. A call for action. A call at this exact moment in geologic time.

Bruce Babbitt is the secretary of the Interior.

The President Bets on Technology

The most important thing to understand about President Clinton's speech on global warming yesterday is that he has asked the United States, a hungry producer and consumer of energy, to reverse course. He has publicly committed the country to a plan to reduce emissions of carbon dioxide, the gas mainly responsible for what could be a calamitous increase in atmospheric temperatures. He has agreed to binding targets and a timetable — the stabilization of greenhouse gas emissions at 1990 levels between 2008 and 2012. He has proposed a system for doing so, relying largely on market mechanisms, energy efficiency and technology.

His package is less than what many environmentalists had hoped for and not nearly as aggressive as the goals that some foreign countries will put on the table when the industrialized nations convene in Kyoto, Japan, in December to try to negotiate a global climate treaty. The Europeans, for example, are seeking net reductions from 1990 levels by a much earlier date, 2005. But the plan also asks American industry to make greater investments in cleaner fuels and new technologies than they have been asked to make in the past. The threat is clear. If industry does not make these investments, Mr. Clinton's successors may have to resort to far more expensive remedies to achieve the targets he has set.

Indeed, there are many who argue that even Mr. Clinton's relatively modest goals cannot be met without carbon taxes that would encourage switches to cleaner fuels, or stiff new gasoline taxes that would encourage energy conservation. Mr. Clinton has rejected that course, in part because he knows it would be difficult to sell to the present Congress and in part because he believes that innovation, incentives and the free market can get the job done without serious economic turmoil.

To that end, he proposes to give industries that achieve early reductions in emissions "credits" against the day when firm industry-by-industry emissions caps take effect. By giving extra credit to companies that lower emissions quickly, Mr. Clinton hopes to spur innovation and efficiencies and put the United States on a downward slope as early in the next century as possible. That is exactly the slope the country must be on if it is to scale back its emissions to 1990 levels.

Mr. Clinton has also embraced another innovative idea that could help solve one of the most vexing problems facing the negotiators in Kyoto — how to bring developing countries like China and India into a global system. The developing countries will not be legally bound by whatever plan is hatched in Kyoto. Mr. Clinton's idea is to entice them into the system with an international emissions trading program under which rich nations can win further credits against their targets by helping poorer nations develop advanced, and presumably cleaner, methods of producing energy.

The environmentalists and the Europeans will surely press Mr. Clinton for a more accelerated timetable before his negotiators arrive in Kyoto. But that cannot obscure the fact that for the first time, a President has committed this country to changing the ways it produces and uses energy.

OPINION

Great Falls Tribune

■ Tribune editorials

Global warming proposal a good start

President Clinton Wednesday proposed to deal with global warming through a combination of mandatory emission controls, tax breaks and energy-conservation incentives.

The long-awaited proposal is quite a bit weaker in its goals than one announced by the same president four years ago — pre-1990 emission levels within a dozen years instead of by the year 2000.

That's because he's stuck between two harsh realities.

One is a Republican Congress, some members of which apparently still question whether global warming even exists, much less whether the United States should do anything about it.

The other is an international community that believes not only that global warming exists, but also that we are to blame for much of it.

Clinton's plan is a good start. It would commit industrialized nations to stabilizing carbon emissions at 1990 levels in the 2008-2012 time period and over the following five years making further reductions.

That is likely to serve as the U.S. position at treaty negotiations in Kyoto, Japan, in December.

Other industrialized nations, especially the Europeans, aren't going to like it. They want emissions reduced by as much as 15 percent from the 1990 levels, and they want it sooner.

At the other end of the international spectrum, developing nations don't like binding emission controls.

They say subjecting them to tight emission controls would prevent them from rising out of the economic gutter, and they have a point.

Right now, those nations' contribution of greenhouse gases is relatively minor, while the United States — with roughly 4 percent of the world's population — is responsible for about 25 percent of carbon emissions.

A coming exception is China, which is rapidly industrializing. Emissions there are expected to surpass those of the United States in the next quarter century.

The Senate has indicated that it won't go along with binding emission controls unless China faces the same controls.

There's room for compromise here.

Developing nations could rightly feel cheated if they were subjected to the same rules as industrialized nations right out of the chute.

But there should be a point in their development at which controls on them would be phased in.

It would have to be up to scientists — not politicians — to figure out exactly how to do it.

Clinton's handling of this issue in the coming months could be a watershed, not only for his presidency, but for the world's economy.

Similarly, the Kyoto conference could be a historic event that is the subject of whole chapters in our great-grandchildren's history books.

Or it could be a footnote that nobody reads.

A. Rankin Knight-Ridder Newspapers (KRT)

WASHINGTON President Clinton unveiled an ambitious proposal Wednesday to restrain global warming over the next century, a swooping pledge that left many important political and economic details to be resolved.

Critics attacked the plan's lack of specifics, but the president's promise to reduce air pollution to 1990 levels by early in the next century is only the first step in a long complicated global negotiation.

Clinton's strategy offers no estimates of how much it might increase energy prices, no details on complex pollution-permit trading schemes at its heart, and no specifics on what big developing countries like China would be required to do.

Those missing details underscore the problems Clinton faces in winning cooperation from Congress. And U.S. obstacles are only the beginning, for Clinton's plan is the U.S. bargaining position for the global treaty to be negotiated by more than 150 nations at a United Nations- sponsored conference in Kyoto, Japan, from Dec. 1-10.

That, White House aides say, is one big reason the plan lacks details for now. It is intended as a set of principles to guide complex multinational political bargaining, not as the final blueprint.

The Kyoto conference is part of "an ongoing process that the world is going to engage in coming decades," explained Dan Tarullo, a top Clinton aide for international economics.

Similarly, the plan's immediate focus is to challenge U.S. business and industry to begin preparing now for transition steps to a more energy-efficient future. Small steps now can yield big results 10 years down the road.

"It can't be ruled out that there could be some effect on energy prices," conceded Gene Sperling, head of Clinton's National Economic Council. The price impact will depend upon how successful the plan's voluntary initiatives turn out to be, he insisted.

Sperling dismissed long-range estimates of price hikes hurled by critics, saying, "If you want an econometric model to show something 13 years out, you can do anything you want. We clearly think that if this country mobilizes the right way, that we can get there without having a significant price increase."

Critics weren't buying such reasoning Wednesday. Business groups assailed Clinton's plan as a prescription for economic disaster, while most environmentalists damned it with faint praise or simply damned it.

"We regard this proposal as a one-way ticket to ship America's industrial capacity overseas," said U.S. Chamber of Commerce President Thomas J. Donahue.

"It's all pain and no gain," said Jerry Jasinowski, president of the National Association of Manufacturers.

Environmentalists were not much kinder.

"The president has shown some leadership but not enough leadership to protect the planet," said John Adams, executive director of the Natural Resources Defense Council.

"This is the Black Wednesday for the climate negotiations," said Kalee Kreider, director of the Greenpeace USA climate campaign.

Such reactions illustrate the U.S. political obstacles confronting the plan Clinton laid out Wednesday in a 24-minute speech to the National Geographic Society here.

Clinton emphasized that the United States is obliged to lead the world in seeking a solution to global warming, because the country is the biggest source of the problem; Americans are only 4 percent of the global population, but they pump out 25 percent of so-called greenhouse gases worldwide.

10/23

power plants that are building up in the atmosphere in a way that traps the sun's heat.

Most scientists now agree that this "greenhouse effect" will slowl raise the Earth's surface temperature over the next century, possibly resulting in rising sea levels that swamp coastal communities, sprea tropical diseases, disrupt forests and agriculture, and spawn increasingly severe weather such as droughts, floods and hurricanes.

Significant uncertainties remain over just how much or how fast th planet's surface may warm, and over what the effects will be, scienti caution.

As Clinton stood before a symbolic blue globe, he called global warming "one of the most important challenges of the 21st century."

"It is our solemn obligation to move forward with courage and foresight to pass our home to future generations," Clinton said. "Our children and grandchildren will thank us for the endeavor."

The president outlined a vague, complicated strategy that would:

Require the United States and other major industrial economies to cut their greenhouse-gas emissions to 1990 levels, on average, between 2008-2012. In the following five years, emissions would go below 1990 levels, but the plan does not say by how much. Under business-as-usual policies, economic growth is expected to raise U.S. emissions by 28 percent above 1990 levels by 2010.

Ask Congress to approve next year a $5 billion, five-year package o tax incentives to spur U.S. businesses to increase energy efficiencies and to spend more on energy research and development.

Offer next year a "bold plan" to restructure the U.S. electric utility industry to spur efficiency and cut emissions.

Develop complex U.S. and global systems for market-based trading of pollution permits to encourage nations and businesses to seek least-cost methods of investing in new technologies that curtail gas emissions. The earlier firms and nations act, the more credits they would get under the systems.

White House aides presented Clinton's plan as moderate, restrained, practical and geared to promote business innovation rather than rely on heavy-handed government regulation. It offers neither "pie-in-the-sky rhetoric" like some environmental critics, "nor the doomsday scenarios either" like some industry groups, said Katie McGinty, head of Clinton's Council on Environmental Quality.

Business groups warn that Clinton's global-warming plan could drive up prices for gasoline, home heat, and electricity.

"Capping emissions amounts to energy rationing," which drives up consumer costs as effectively as higher energy taxes," said Donahue of the U.S. Chamber.

"American families can expect to pay at least $2,000 a year by 2010," under Clinton's plan, said Gail McDonald, president of the Global Climate Coalition, a group led by utilities, oil and auto companies. "Returning emissions to 1990 levels by 2010 means canceling an expected 26 percent increase in America's economic growth."

NAM's Jasinowski welcomed Clinton's emphasis on energy efficiency, tax incentives, and market-based solutions, but concluded, "The administration hasn't put it all together in a way that makes sense and would work. Furthermore, it is a mystery how an international trading regime would effectively work in the complex global arena."

Key details, such as how the trading system would work and what requirements China and other developing nations would face, are to be worked out in negotiations over time, White House aides said.

Not all business leaders were harsh.

Michael Marvin, executive director of the Business Council for Sustainable Energy a coalition of renewable energy and natural gas firms termed Clinton's plan "an important and extremely modest proposal to begin taking steps for coping with global warming. All in all, it's a pretty good package."

Moderate environmentalists also gave Clinton grudging credit.

"The targets and timetables (for emission reductions) are not ambitious enough, but it gets the U.S. to within the negotiation circle and gives the Kyoto sessions a good chance to produce a final agreement, which we hope will be more ambitious," said Fred Krupp, executive director of the Environmental Defense Fund.

Vice President Al Gore perhaps summed up the situation best: "This problem has been a long time in the making, and it will take a long time to solve."

The New York Times
WEDNESDAY, OCTOBER 22, 1997

Needed: Planet Insurance

By Alan S. Blinder

PRINCETON, N.J.

An American team in Bonn is deep in negotiations that, it is hoped, will lead to the signing of an international treaty on global warming in Kyoto, Japan, in December. Such a treaty would define the responsibilities of roughly 170 nations for reducing greenhouse gas emissions. President Clinton, who is scheduled to outline his policy on global warming today, must walk a fine line, balancing the concerns of environmentalists who worry about the fate of the earth and those of business and labor constituencies who worry about the fate of their companies and jobs.

But on what basis should the President strike that balance? The typical economic approach to such problems is cost-benefit analysis. But there is a big problem with applying that tool here. While we have some ability to quantify the costs of policies intended to retard global warming, we have little basis for estimating the benefits. The scientific consensus takes us only so far. Yes, global warming is for real. Yes, burning fossil fuels seems to be a significant cause. And yes, most potential climatic consequences are worrisome — and some are truly horrifying. But scientists cannot tell us how the earth's climate will change if nothing is done.

So I suggest a different approach: Instead of weighing costs against benefits, it makes more sense to look at action against global warming as taking out an insurance policy. This is what homeowners do, spending hundreds of dollars every year to insure their families against the unknown, though presumably small probability that their house will burn down. Shouldn't the family of man do the same for its home?

As we shop for this global insurance policy, we should seek the most economical one. We can drastically reduce its cost by applying four basic economic principles:

• Market-based approaches work more efficiently than clumsy command-and-control techniques. The leading candidate in this case seems to be distributing or auctioning permits to emit, say, carbon dioxide, and then allowing free-market trading to establish their price. By now we have enough experience with emissions trading to predict that it will reduce pollution at a fraction of the cost of regulation. The President is expected to emphasize these kinds of incentives to reach his goals. It is time that the rest of the world got on board.

• Global problems require global perspectives and responses. It makes sense to reduce carbon emissions where that can be done most cheaply. We should therefore explore innovations like global emissions trading and allowing American companies to "buy" emissions reduction in other countries, although both are fraught with practical difficulties. It is important that all countries get involved. We cannot hold developing nations to the same standards as developed ones, but their eventual participation is essential.

Fixing the climate, without Pangloss or Chicken Little.

• Haste makes waste. It's cheaper to engineer new products for energy efficiency than it is to retrofit old ones. That means we can greatly lower the costs of reducing carbon emissions if we allow our existing transportation fleet, factories, home heating systems and especially power-generating plants to wear out rather than scrapping them. We can afford such patience because it is the accumulated concentration of greenhouse gases that affects global temperatures, not the annual output of emissions. For these reasons, the much-debated target of reducing emissions to 1990 levels by the year 2000, as enunciated at the 1992 summit meeting in Rio de Janeiro, is too demanding. It would be more prudent to start slowly, then gradually grow more strict. We need to emulate the tortoise, not the hare.

• Reducing reliance on fossil fuels is not an anti-growth policy. It is an insurance policy against climatic disruptions that could severely damage the world's economies. We do not want people to turn off the heat and turn in their cars. We do need to make fossil fuels more expensive. But any revenues raised from, say, auctioning emissions permits should be promptly returned to the economy via tax cuts, research and development spending, and compensating victims (for example, coal miners).

These four principles do not constitute an instruction manual for American negotiators in Bonn. Nonetheless, accepting them would represent a giant step toward banishing both Chicken Little and Dr. Pangloss from the debate. Then we can get down to issues like how to design and enforce a global emissions trading system in the absence of any meaningful global government, and how to persuade developing nations to participate.

No, the sky is not falling; it is just filling up with greenhouse gases a bit too fast for comfort. But blithely assuming that nature and laissez-faire will take care of everything amounts to betting the earth's climate on a roll of the dice. If we lose the bet, our grandchildren will not likely forgive us. Nor should they. □

Alan S. Blinder, a professor of economics at Princeton, was a vice chairman of the Federal Reserve and a member of President Clinton's Council of Economic Advisers.

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Divider Title: **11**

THE NETHERLANDS: "Something Is Better Than Nothing"

According to an editorial in centrist Algemeen Dagblad (10/24), "Too little, too late. That is what should be said about the U.S. plan to reduce CO2 emissions between 2008 and 2012 to the 1990 level. Compared to the European plans...Clinton's proposal is indeed somewhat meager. But something is better than nothing and the U.S. president could not do much more at this moment. After all, he is working in a political climate which is very different from that in European countries. Industry, labor unions and Republican senators are already blaming him for jeopardizing the U.S. economy. Taking this into account, the president is actually taking quite a vigorous standpoint."

AUSTRALIA: "Mugged By The Realities Of Domestic Politics"

The national, conservative Australian's editorial (10/24) declared, "Mr. Clinton conceded yesterday that the United States, by emitting 23 percent of the world's greenhouse gases, despite accounting for only four percent of its population, is the biggest contributor to the (greenhouse) problem. But he has been mugged by the realities of domestic politics. The European Union has stolen the moral high ground with its unrealistic target of 15 percent reduction on the 1990 levels by 2010. If the United States is not prepared to endorse near-term binding targets reducing emissions, then why should Australia? And the stabilization target itself is clearly unacceptable, if not unattainable in practical terms for Australia in the short term."

USA Today 10/24/97

Cooling the greenhouse

The science of climate change is easy. We burn millions of tons of fossil fuels a year, sending millions of tons of carbon dioxide into the atmosphere. The gas acts like the windows of a greenhouse, retaining heat that would otherwise radiate away. Result: The world is warmer — half a degree or so in the past 100 years.

Think it doesn't matter? Your grandchildren will disagree. In the near term, this warming contributes to fluky weather. More storms here; more drought there. Over time, the disastrous consequences may include melted ice caps, stalled ocean currents, higher sea levels. No more icebergs. No more Miami.

With 4% of the world's population, the United States produces 22% of all greenhouse gas. Clearly, we bear some responsibility. Which is why, combined with the threat to future Americans, the White House this week outlined a new plan to reduce greenhouse gas emissions.

The plan is painfully modest. It delays hard limits for 10 years, hoping that tax incentives and pollution credits will spur industries to act on their own. And the final goal — reduction to 1990 levels by about 2010 — is lower than many desire.

To its credit, the proposal will achieve some reductions fairly quickly. And if the incentives work, the public impact should be small. Some jobs will be lost, some dislocation occur. But according to a recent Energy Department study, the economic effect of cutting greenhouse gas should be a rough wash. Given the forces arrayed against tighter limits, the proposal is a suitable, if mushy, compromise.

The plan may have international appeal, too. In negotiations over a climate-change treaty to be signed in December, many nations have been publicly demanding deeper cuts. But some will be privately pleased President Clinton laid out a less costly goal.

If world leaders can find some way to permit countries and corporations to trade pollution credits, the treaty might also attract giant future polluters like India and China. That, in turn, would be the start of a genuinely global commitment — one that's too slow coming but essential nonetheless.

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U.S. Climate Plan Could Shape Treaty; Developing Countries Key

Washington, Oct. 23 (Bloomberg) -- U.S. President Bill Clinton's proposal to return greenhouse-gas emissions to 1990 levels in 15 years could be the basis of an international climate treaty because it leaves room for compromise among Europeans, environmentalists, big business and U.S. lawmakers, analysts said.

Clinton's carrot-and-stick approach would offer incentives and $5 billion in tax breaks for U.S. companies that act sooner rather than later to curb emissions of heat-trapping gases, followed by a deadline for ratcheting back emissions to 1990 levels between 2008 and 2012.

Environmental groups and Europeans said the plan is too lax while some U.S. businesses and lawmakers said it's too tough on industry. Still, it lays down a marker as U.S. and Japanese officials negotiate with their counterparts from European Union and developing countries next week in Bonn on a treaty to be signed in December in Kyoto.

``I would imagine they'll come out somewhere in the middle," bridging the gap between the U.S. and Japan the more stringent emissions cuts advocated by the European Union, said Robert Repetto, senior economist with the World Resources Institute, an environmental think tank in Washington.

The Bonn and Kyoto talks are aimed at finding a way to curb emissions of carbon dioxide, nitrous oxide and methane -- so-called ``greenhouse gases" that trap heat in the atmosphere. Scientists say these emissions, from factories, utilities and vehicles, are heating up the planet and contributing to climate change.

Profits and Jobs

The European Union wants a treaty that cuts emissions 15 percent below 1990 levels by 2010, and a group of 77 developing nations plus China yesterday proposed a similar plan.

German Environment Minister Angela Merkel called the U.S. plan ``disappointing and inadequate."

Clinton counters that the EU plan looks stiffer than it really is, because Germany gets an advantage from the early-1990s closing of polluting factories in the former East Germany, and the United Kingdom benefits from a shift from coal to natural gas. That could give industries in those countries a competitive advantage.

Closer to the U.S. proposal is Japan's recommendation of a 5 percent reduction below 1990 levels by 2012. The proposal contains different targets for different countries, so some --including Japan and the U.S. -- would have less stringent targets than others.

For U.S. businesses and lawmakers, the concern is protecting profits and jobs.

Even Germany's Merkel says it's a delicate matter for Clinton. ``With regard to the internal political situation, it was not an easy decision," she said.

Many U.S. businesses say they'll fight the targets. ``The plan outlined by the president would damage the U.S. economy while producing no lasting environmental benefit," said Gail McDonald, president of the Global Climate Coalition, an industry group that includes big oil and auto companies.

Even so, says Repetto of the World Resources Institute, ``there's very little in this proposal, as it stands, that is potentially costly to American business." And because of that the proposal as it stands won't do much to reduce emissions, he said.

Repetto said emissions are growing at a rate that demands faster action if Clinton's targets and timetables are to be reduced.

``The whole essence of the problem is to influence the thinking and investment decisions that are being made," he said. ``There have to be market incentives" to use expensive new technology. The longer the delay is before the private sector starts to take this seriously, the more abrupt and painful the transition will be."

Clinton is betting on U.S businesses to use new technologies to curb emissions, and wants to offer $5 billion in tax breaks and other incentives to encourage them to adopt energy-saving measures over the next five years.

Burden on Poor Countries

Another sticking point is how much of a role countries like China, Brazil and India should play in cleaning up emissions. While they don't produce nearly as much carbon dioxide as the U.S. does now, their emerging economies, and their emissions, are growing rapidly. China is second only to the U.S. in terms of emissions, and is on track to reach the No. 1 spot early in the next century.

The U.S. Senate voted to oppose any treaty that leaves developing countries free to increase their emissions or ``would result in serious harm to the U.S."

On this point, Clinton also tried to lay the groundwork for compromise. He said U.S. participation in any treaty is conditioned on the ``participation" of developing countries, without specifying how or whether they'd be required to participate.

The Senate resolution leaves room to finesse the issue of how much they do to reduce emissions. It says the U.S. should not agree to any treaty that would commit American companies to reducing emissions unless it also included ``new specific scheduled commitments" for developing countries ``within the same compliance period." That could open the door to less stringent standards for poorer countries.

Any potentially painful elements of the plan wouldn't kick in for 10 years. ``That's pretty far off in congressional time horizons," said Repetto.

And Clinton's plan would provide credit to companies that take early action to reduce emissions, including such projects as helping build cleaner plants in developing countries.

``There's plenty of wiggle room," said John Passacantandro, executive director of Ozone Action, an environmentalist group.

--Nora Macaluso in the Washington newsroom (202) 624-1832/rdm

Story illustration: To graph trading in U.S. sulfur dioxide emission allowances: EMIT<go>

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NI EXE White House DUK US <Equity> Duke

Miami Herald 10/23/97

GLOBAL WARMING:

No-win issue for Clinton

BILL CLINTON joked to a pep rally of TV weathermen that he could have been a TV meteorologist himself: "I'm used to delivering bad news."

He got his shot yesterday when after months of stalling and White House bickering, he announced U.S. support for gradual but mandatory reductions in greenhouse gases to deal with global warming.

Hang out storm flags. He's made somebody — probably a lot of powerful somebodies — mad.

Sure, amid the Washington obsessions with Paula Jones, White House tapes and campaign sleaze, global warming is unsexy. Zzzz, who cares? Hey, we won't be around to worry about drought, floods, and ice caps melting if the globe heats up in 2070. But if you care about your grandkids or their children, global warming sticks Clinton with his most important decision.

And toughest call.

The problem was simple, the politics hard. Spin doctors and TV ads have hammered from both sides. Clinton was caught between the Greens (environmentalists who want dramatic remedies) and the Do Nothings (oil, utility, and auto biggies terrified that higher energy prices will cool the 1990s boom.)

SANDY GRADY

That's not all. Clinton is still tugged between 117 countries awaiting the Kyoto, Japan, conference. Plus the U.S. Senate, which gets campaign dough from corporate America. Not to forget Main Street folks who rise in fury when anyone messes with the cheap gas fueling our guzzling lifestyles.

Is global warming another phony Hollywood disaster movie?

I'll accept the word of most scientists: We're spewing greenhouse gases — mostly carbon dioxide from cars, factories, and power plants — that trap the heat of the sun. They predict that Earth's temperature will rise two to seven degrees within a century. Because fossil-fuel molecules stay u[p] 200 years, by the time that we agree on the threa[t] it's too late.

The unhappy scenario: Coastal waters rising s[o] high that Atlantic City dice tables are afloa[t]. Floods and droughts playing havoc with agricul[-]ture. Never mind skin cancer or stratospheri[c] electric bills.

"I'm convinced the science is solid," Clinto[n] said, trying to rouse apathy. "We'd be irresponsi[-]ble to do nothing."

Not everyone joins that chorus, especiall[y] Republicans who howl at new energy rules. T[o] hell with global-warming fantasies. Let The Goo[d] Times Roll — a boom, ironically, that made 199[6] a record gusher of U.S. greenhouse gases.

Aptly named Rep. Tom DeLay, R-Texas, pa[l] of Big Bidness, scoffs: "The theory is in hi[s] [Clinton's] imagination."

Paralysis at the top

On Oct 17, 1993, Clinton sounded like The Green Crusader: "Today I reaffirm my personal commitment to reduce our emission of greenhouses gases to their 1990 levels by the yea[r] 2000."

That vow haunts him. Clinton's boom streamed gases from smokestacks and tailpipes. Utilities pour on coal. Americans fall in love with sport-utility behemoths, Suburbans, Navigators, and Expeditions. Detroit tycoons would scream if new fuel limits hurt big-profit sales.

No wonder the United States, with 5 percent of the world's population, is No. 1 in greenhouse gases. Go for the gold.

And no wonder automakers, corporations, and utilities rolled out a $13 million ad campaign to forestall any Draconian move by Clinton — echoes of the health-reform blitz. They were countered by such greenies as the Sierra Club and Concerned Scientists.

Result: Paralysis at the top for months with Clinton ensnared in a White House battle for heart and mind. Environmental adviser Katherine McGinty, climate expert Todd Stern, and Al (Mr. Green) Gore pushed dramatic action. But Treasury Secretary Robert Rubin and economic gurus insisted: Bill, don't chill the economy.

Never mind the rest of the world. Europeans want a 15 percent cut in greenhouse gases. Developing nations China, Brazil, and India say: OK, rich guys go first.

Clinton punted, stretching out the timetable to 2012 and putting his faith in tax breaks and new technologies to handle the global-heat bugaboo — solar panels, photovoltaic cells, fuel from ocean algae, magnetic levitation, gee-whiz stuff.

Don't Stop Thinking About Tomorrow was a Clinton stump song. Faced with brutal choices, he'll let President X think about it. And let our grandkids sweat.

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Divider Title: **12**

H.L. Mencken would have had fun with Al Gore and Bill Clinton's latest crusade.

ROBERT DE MICHIELL

Bill and Al's global warming circus

By Ronald Bailey

H.L. MENCKEN WOULD have gotten quite a kick out of Bill Clinton's global warming shindig called the White House Conference on Climate Change and convened on Oct. 6 at Georgetown University. This is what the cantankerous Sage of Baltimore had to say about such circuses: "The whole aim of practical politics is to keep the populace alarmed (and hence clamorous to be led to safety) by menacing it with an endless series of hobgoblins, all of them imaginary."

Global warming, for instance.

At the White House Conference, Clinton put on his sincerest face, saying: "I have been completely persuaded that global warming is real."

Business groups had run ads warning against precipitate action against a threat that was by no means clear. Al Gore denounced those ads as "bordering on the immoral." Secretary of the Interior Bruce Babbitt called them "un-American in the most basic sense."

All this is just part of a mighty blitzkrieg designed to scare the bejesus out of the American people and persuade them to hand more power to those kindly, concerned folk in Washington. The White House Office of Science and Technology Policy has been drafted in the cause and has trotted out scientists to warn that the human race faces fairly imminent disaster from global warming. Most of the scientists, it turns out, either have government climate change grants or are on the federal payroll.

Of course, environmental activists are in on the crusade. On Sept. 15, Clinton and Gore met with the heads of America's largest environmentalist groups, including John Adams of the Natural Resources Defense Fund, Kathryn Fuller of the World Wildlife Fund, Carl Pope of the Sierra Club, Howard Ris of the Union of Concerned Scientists, Gene Karpinski of the Naderite U.S. Public Interest Research Group and Fred Krupp of the Environmental Defense Fund.

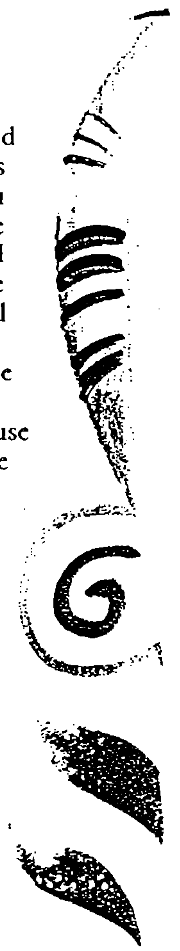
Participating in the propaganda offensive, Greenpeace launched a massive campaign to oppose any further petroleum exploration, claiming that oil executives "can change the weather." The Natural Resources Defense Council ran ads featuring a house being washed away by a flood with a headline: "Tomorrow's Weather: Brought to you by Big Business." Then, of course, there was the clever move to convert TV weathermen into pitchmen for the global warming cause.

Given this well-organized propaganda campaign, chances are that nearly everything you have heard or read will have persuaded you that we need Al and Bill and Hillary to rescue us from the horrors of global warming.

In short, you may have bought yourself a hobgoblin.

It is true that greenhouse gases, chiefly carbon dioxide produced by the burning of fossil fuels, are increasing in the atmosphere. After that, uncertainty reigns. In the 1980s, early computer climate models predicted that the earth's temperature might rise by between 5 and 9 degrees Fahrenheit over the next century.

Actual readings indicate that the earth's average temperature has increased by a little less than 1 degree Fahrenheit over the past century. Why? No one knows for sure, but the prime suspect seems to be natural fluctuations in the climate, as most of the warming occurred before greenhouse gases had accumulated in the atmo-



Cutting carbon dioxide could clobber the economy

Model	Real GDP change	Jobs change	Carbon tax/permit fee ($ per metric ton carbon[3]) 1995 dollars	Emissions in 2010
Abare[1] (June 1997)	–0.25% in 2010	not in model	not in model	1990 levels (12% below baseline)
DRI (Administration IAT, May 97)	–1.1% in 2005; –0.4% in 2010	unemployment rate up 0.2%	$95	1990 levels (26% below baseline)
DRI (Labor: Management Group, Sept 97)	–1.6%-2.0% 2005-2007	1.2-1.75 million jobs lost (2005-2010)	180-190	1990 levels (30% below baseline)
DRI (US Department of Commerce, Jan 92)	–4.6% in 2010	average loss of 0.6 million jobs	384	10% below 1988 (24% below baseline)
Charles River Associates	–1% in 2010	not in model	177	1990 levels (20% below baseline)
Economic Policy Institute (Sept 97)	–1.8% to –2.0% in 2007	1.5 -1.8 million jobs lost in 2007	not in model	1990 levels
Markal-Macro (Administration IAT, May 97)	–0.2% in 2005; –0.8% in 2010	not in model	145	1990 levels (30% below baseline)
MIT	–0.5% in 2010[2]	not in model	150	1990 levels (28% below baseline)
SGM (Administration IAT, May 97)	–0.1% for 2005-2010	not in model	81	1990 levels (28% below baseline)
WEFA (API, Oct 97)	–2.4% in 2010	1.8 million jobs lost in 2010	200	1990 levels (21% below baseline)

[1]Australian Bureau of Agriculture & Resource Economics. [2]Consumption. [3]In 2010.

Studies show that cutting back fossil fuels to limit carbon dioxide emissions could reduce growth and create job losses.

sphere. Another suspect: An increase in the sun's radiance, as Richard Willson suggested in an article published in *Science* magazine in September.

What about those floods, droughts and hurricanes that advocates of the global warming theory predict? Any sign of them? Rainstorms that drop more than two inches in 24 hours have increased modestly since 1910; there is now one additional heavy rain every two years. The frequency of intense hurricanes and their maximum windspeed have declined significantly over the past half century. As for temperatures in the U. S.—there is no significant increase in the percent of the U.S. experiencing much-above-normal temperatures.

At the global level, very accurate measurements made by National Oceanic and Atmospheric Administration satellites show virtually no increase in the earth's average temperature over the past 18 years. Yet the original climate computer models used by the global warming crowd predicted that the earth should have warmed by an easily detectable 0.3 to 0.4 degrees centigrade over that period *(see chart, p. 354)*.

"Satellite and balloon data show that catastrophic warming is not now occurring," says Dr. John Christy.

"The satellite and balloon data show that catastrophic warming is not now occurring," says Dr. John Christy, a professor in the Department of Atmospheric Science at the University of Alabama in Huntsville.

At the White House-summoned global warming summit, Hillary Clinton declared that "health problems are going to get worse unless we do something about climate change." Tropical diseases like malaria would move into formerly temperate areas as the earth warms.

Birth of a cause

In 1896 Swedish scientist Svante Arrhenius published an article in the *Philosophical* magazine in which he calculated that a doubling of the atmospheric concentration of carbon dioxide would raise the earth's average temperature by 6 degrees centigrade. Arrhenius realized that certain gases, like carbon dioxide, trap heat energy that would otherwise escape into space.

Arrhenius' work remained largely ignored until it was revived in the late 1950s by American scientists Roger Revelle and Han Suess. At Revelle's suggestion, a permanent observatory was set up during the International Geophysical Year 1957-58 on Mauna Loa in Hawaii to monitor atmospheric carbon dioxide. One of Revelle's students was Albert Gore Jr.

Eventually a number of climate computer models were created. The early versions of these models suggested that the earth's temperature might rise by between 5 and 9 degrees Fahrenheit if atmospheric concentrations of carbon dioxide were doubled.

But even though the models have been refined, the amount of predicted warming has not materialized. Even today, models don't handle critical variables, like clouds, tropospheric water vapor and absorption of CO_2 by the oceans, very well. "I believe that as we learn more about the models, less confidence will be placed on their projections," concluded Arizona State climatologist Robert Balling.

Roger Revelle, just before he died, declared in a coauthored article with Fred Singer: "*The scientific base for a greenhouse warming is too uncertain to justify drastic action at this time* [emphasis his]." By then Al Gore had stopped paying attention. He had his issue. –R.B.

The report that nobody reads

WHAT IF IT TURNS OUT that the globe isn't warming because too many people are making too many things and driving too many cars? Peter P. Rogers, Ph.D., a Harvard environmental scientist respected by businesspeople and enviros alike, gave us his insight.

We asked Rogers about the document that most environmentalists point to for scientific support of their global warming thesis: a report released in 1995 by the 2,500 scientists on the United Nation's Intergovernmental Panel on Climate Change.

Doesn't this document conclude that human activity raises the CO_2 levels, thus raising the temperature?

Rogers replies with a simple question: Have you read the report? He knows the answer. Of course not. Hardly anyone has or ever will. The report consists of almost 2,000 scientifically dense pages—a few too many for your average nightly news reporter.

But Rogers has read most of the opus, and reports that its conclusions aren't what most people think. "It says we [scientists] aren't sure what is happening, and we need at least five more years to study the problem," says Rogers.

Most of the media comment derives from readings of the weighty tome's seven-page executive summary. The summary, unlike the document itself, isn't at all uncertain. It says the balance of evidence suggests a human hand in global warming.

"The summary, which everyone reads, bears little relationship to the actual report, which was written by the scientists," says Rogers.

Who wrote the summary? Politics rears its head here. One of the major contributors was Robert Watson, then the associate director of environment at the White House Office of Science & Technology Policy, a Gore appointee.

Didn't the IPCC executive committee vote to approve the summary? Yes, says Rogers, but the committee members were chosen for political reasons, not for their qualifications as environmental scientists. Regional, racial and gender diversity were paramount. "Instead of looking for an expert in a field of study, the panel needed to fill a position with an African scientist or a woman. Debates were judged by votes rather than reasoning."

Haven't 2,500 scientists endorsed the U.N.'s global warming hypothesis? Not really. The alleged endorsement is only in a summary report written by Al Gore appointees.

Haven't half of the world's living Nobel laureates in science signed a petition condemning global warming? Yes, says Rogers, and most of the laureates are nice people and, for the most part, good scientists, but few know much about environmental science or climate change. "Most of these Nobel laureates are busy people," says Rogers. "They aren't going to spend all of their time learning about climate change."

Of the three climatologists who have won Nobel prizes, two are not champions of global warming, he says.

As Rogers sees global warming, the only thing we know is that the level of carbon dioxide in the earth's atmosphere is rising. Environmentalists assert that this is caused by burning fossil fuels for energy and electricity. The burning produces CO_2 emissions as a by-product; the rising CO_2, in turn, traps heat in the atmosphere and causes the temperature in the earth to rise.

Rogers says this is a credible hypothesis but no more. It might be right. Or it might not. "Rising CO_2 could also be due to something we don't know about," he says.

Rogers says the key is the top 10 centimeters to 10 meters of the world's oceans. The oceans hold most of the thermal mass of the earth; the temperature affects CO_2 absorption. It is a process, Rogers emphasizes, that science does not yet understand.

Most scientists agree that ocean currents and winds play a big role—but these factors are not even included in the computer models that forecast global warming.

So complex is the environment, and so primitive the models, that critical information, such as the existence of the Great Lakes or the Sierras, is routinely left out. Absurd results include a forecast of flooding in Death Valley. Another model predicts that due to higher CO_2 levels 100 years hence, rainfall in the Midwest could rise by 15%—or fall by that amount.

Most of the global warming models do not include the most important factor in determining the earth's temperature: cloud cover, which accounts for the majority of the changes in the atmosphere's temperature over time.

For years this glaring omission has been denounced by the abrasive and brilliant MIT meteorologist Richard Lindzen. Rather than address Lindzen's critiques of their models, the climatology community has stopped inviting him to their conferences.

—CHRISTINE HILL

idney Shindell, professor , at the Medical College of ısin's Department of entive Medicine and an expert on ılaria, points out that malaria and ɹengue fever are not confined to warm areas. And malaria was eliminated not because the climate changed, but because malaria-carrying mosquitoes were controlled by public health measures such as draining swamps—oops! I mean wetlands—the widespread use of DDT, and putting screens in windows.

Studies do show that, globally, winter nighttime temperatures are getting slightly warmer. There is no evidence that summer daytime temperatures in the U.S. have increased at all. Higher winter nighttime temperatures are not a disaster. That would mean longer growing seasons, for one thing.

Why, then, are we being urged to "do something" about global warming? H.L. Mencken has given us one reason. Another reason is that anti-business elements, no longer able to advocate government control as a path to social justice, have wrapped themselves in a green, leafy banner.

In the next couple of decades, emissions of developing countries will rise to 60% of the total.

"The green movement," says Jerry Taylor, director of Natural Resource Studies at the Cato Institute, "is genetically hard-wired to find confirmation of their fears in nearly any theory or hypothesis that claims that industrialized society is living on borrowed environmental time. Global warming is just the latest and biggest of these scares."

Even scientists who take the threat somewhat seriously shy from advocating drastic action now. "I think it's too early to start action now," says Gerald North, head of the Department of Meteorology at Texas A&M. "I believe we have a decade or so in which we can collect data and refine our models before we have to act."

So even if the alarmist climate models turn out to be right, technological innovations and judicious capital investment will make it possible to reduce carbon emissions more cheaply in the future than now.

Scientists like North realize that the action advocated by the global warming crowd will be both expensive and economically disruptive. Clinton/Gore propagandists have tried to disarm that argument by claiming that economic stimulus from adopting energy-efficient technologies will more than offset the costs of reducing carbon emissions to a U.N.-proposed 1990 level by 2010.

At the White House Conference, the Administration rounded up a group of businesspeople who allegedly support Administration plans to cut hydrocarbon use. Nearly all of them were from small companies that would benefit directly.

"They [the global warming crowd and Gore] are essentially claiming that there are $20 bills laying on the ground that nobody's picking up," harrumphed economist David Montgomery, who has been very involved in working on the economic impacts of climate change at the consulting firm Charles River Associates. Adds Paul Portney, head of Resources for the Future, an independent Washington-based think tank. "If there truly are these big energy savings out there now, why aren't companies and consumers already taking advantage of them?"

Officially the Clinton Administration claims that hydrocarbon consumption can be cut to levels to be negotiated at the United Nations meeting in Kyoto, Japan next month at a cost to the U.S. of just a 0.1% reduction in GDP.

Interestingly, the Administration's allies in the AFL-CIO are sitting this one out. Union economists think the costs will be much higher than the Administration's rosy guesses. They also worry that job losses could range from 1.2 million to 1.8 million *(see table, p. 348)*.

In October, the economic modeling group WEFA concluded that reducing CO_2 emissions to 1990 levels by 2010 would force consumers to pay 55% more in real dollars for heating oil; 50% more for natural gas; 48% more for electricity; and 36% more for gasoline. DRI/McGraw-Hill concluded in September that holding emissions to the 1990 level would raise gasoline prices to $1.73 per gallon.

If the developing countries don't agree to limits, then many U.S. industries will simply move to countries where energy prices are lower. A study by the Argonne National Laboratory concluded that increased energy costs "will devastate the U.S. steel industry," and "production will simply be shifted to developing countries."

At the White House conference, Bill Clinton made a statement he would never dare make on the campaign trail: "We need to raise the price of carbon-based products." Jessica Mathews, president of the Carnegie Endowment for International Peace, agreed, saying: "Energy is just too cheap."

Next month's U.N. meeting in Kyoto is the result of a process that began when President George Bush signed the U.N.'s Framework Convention on Climate Change at the Earth Summit in Rio de Janeiro in 1992. The nations of the world agreed to take voluntary steps to reduce our emissions of greenhouse gases to 1990 levels by the year 2000. But they later exempted 130 developing countries, including China, India, Brazil, Mexico and Indonesia from having to reduce their emissions. Right now, developing countries account for 40% of the emissions that humanity puts into the atmosphere, but in the next couple of decades their emissions will rise to 60% of the total, swamping any reductions that the OECD countries do make. In fact, by 2015, China will be the world's largest emitter of carbon dioxide.

"We have a decade or so in which we can collect data and refine our models before we have to act."

Bill Clinton now says: "We will ask all nations, developed and developing, to join us to meet the challenge." To which the developing countries have responded with a great big raspberry. They argue that they should not be required to reduce their emissions since they are not the ones who put the extra CO_2 in the atmosphere in the first place.

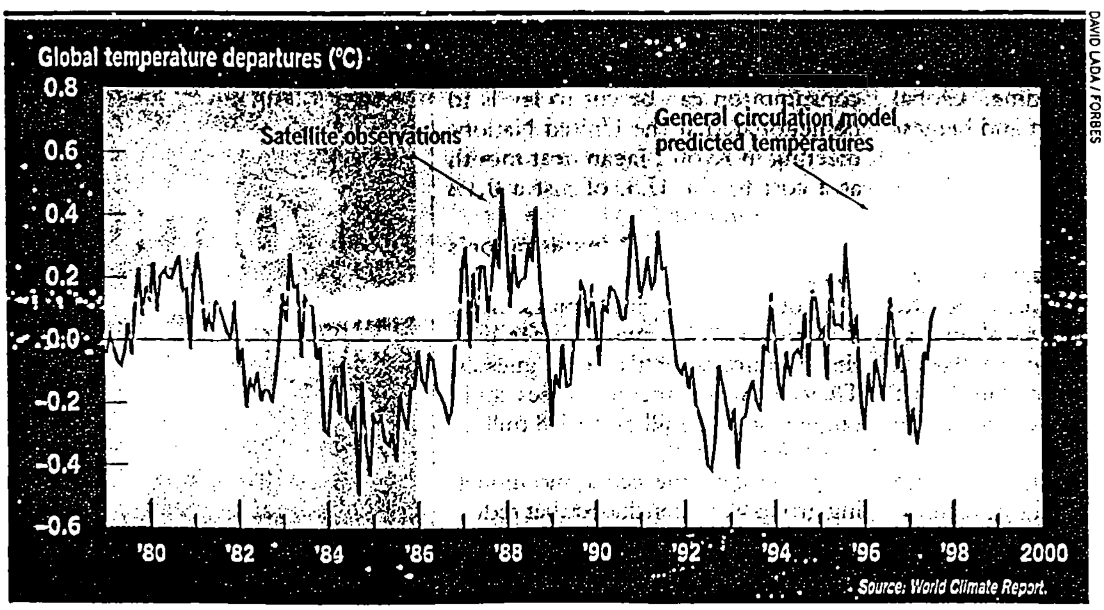
In July, the U.S. Senate passed the Byrd-Hagel Resolution 95 to 0. The resolution declares that the Senate will not ratify any treaty which would require the U.S. to observe legally binding restrictions on greenhouse gases while exempting as many as 130 developing countries. A treaty that would cause significant economic harm to the U.S. would also not be ratified.

Look for some grandstanding, however, by the European countries. The European Union has offered to cut CO_2 emissions by 15% below the 1990 level. Big deal. They will count as reductions the steep cuts that Germany has already made as a result of shutting down the former East Germany's extremely dirty industries, and the fact that Great Britain has shut down its coal mines and switched to North Sea natural gas to generate electricity. Thus, the Europeans would be able to meet their targets in an economically painless way, while putting severe restraints on their international competitors, namely, the U.S., Japan and Australia.

Old H.L. Mencken would have gotten a real kick out of that bit of political fakery. He would have seen it for what the whole thing really is: a desperate effort by big-government boys to grab themselves a nice chunk of power and patronage.

Ronald Bailey is a freelance television producer and writer in Washington, D.C.

What global warming?

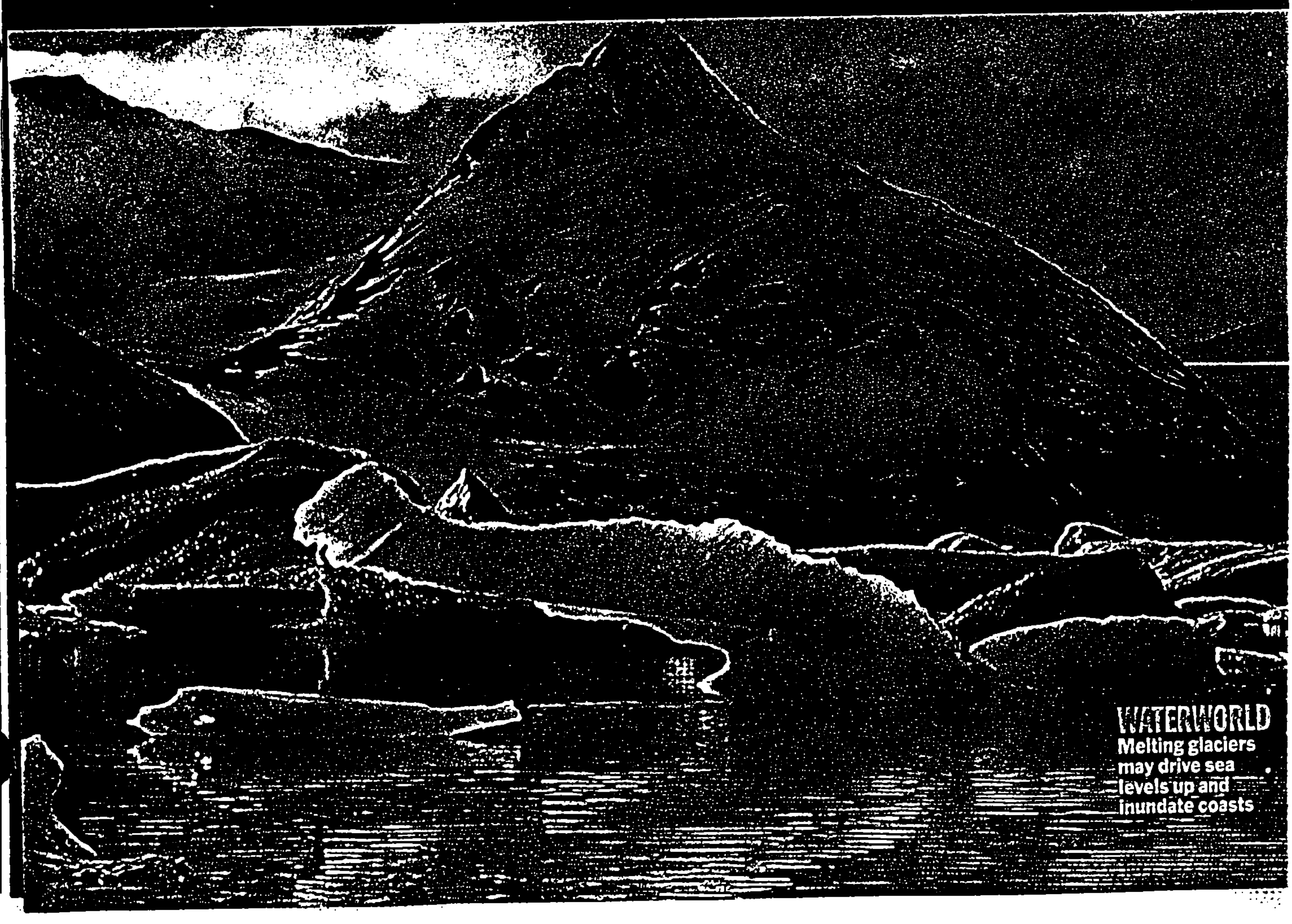


Accurate satellite measurements show virtually no warming over the last 18 years. The original climate computer models predicted that the planet should have warmed by an easily detectable 0.3 to 0.4 degrees centigrade.

DIANA WALKER FOR TIME

COURTING DISASTER

Clinton at last makes a stand against global warming—but his critics at home and abroad fear it may be too little, too late



WATERWORLD Melting glaciers may drive sea levels up and inundate coasts

UP IN SMOKE
Coal-fired plants are among the biggest offenders in climate change

MICHAEL D. LEMONICK

THE WHOLE WORLD HAD BEEN WAITING IMPATIENTLY TO hear what Bill Clinton would say last Wednesday—because the whole world would be affected. The President had promised four months ago at the United Nations that the U.S. would at last make a stand against global warming, the ominous trend that threatens the planet with climatic upheaval: melting glaciers, rising sea levels and more frequent and vicious storms. In December, 160 nations will meet in Kyoto, Japan, to forge a treaty to combat climate change, but until last week the U.S. refused to put its cards on the negotiating table. And without the forceful leadership of the U.S.—the most prolific producer of the "greenhouse" gases that are raising the earth's temperature—any agreement designed to beat the heat would be futile.

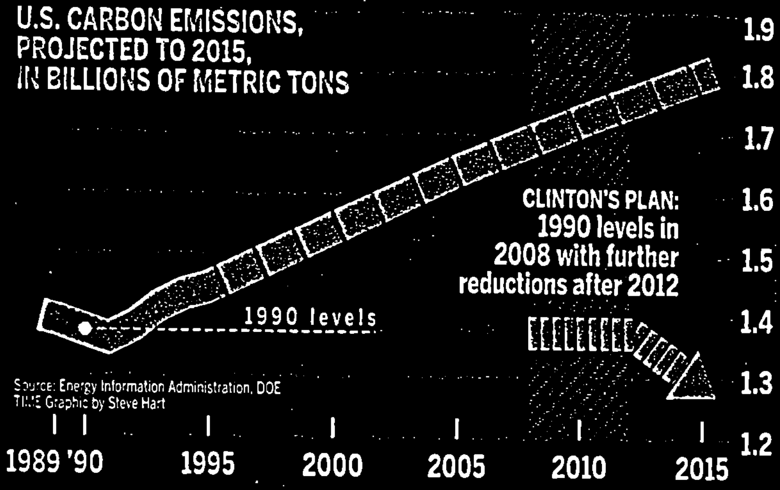
That's why, when Clinton finally laid out his plan from a podium at the National Geographic Society in Washington, so many people recoiled in dismay. The proposal Clinton described as "far-reaching" and "meaningful" would supposedly roll back U.S. emissions of carbon dioxide and other greenhouse gases to where they were in 1990, but would not do so until sometime between 11 and 16 years from now. Yet back in 1992 the U.S., along with most other countries, had signed a treaty committing industrial nations to such a rollback by the year 2000—a point not lost on delegates attending a pre-Kyoto planning conference last week in Bonn. "Disappointing and insufficient," is how Cornelia Quennet-Thielen, head of the German delegation, characterized Clinton's proposals. And the European Union issued a statement saying in part, "The U.S. proposal is for an a lower target than that proposed by Japan, which we already considered inadequate to tackle the problem of climate change."

The Europeans had previously come out for a stricter standard that would cut emissions by industrial nations to 15% less than 1990 levels by the year 2010. And in Bonn last week, the so-called G77 group of 77 developing nations, along with China, signed on to the European plan (which doesn't require developing countries to make any cuts at all, even though their rapid industrialization and inefficient technology could eventually make them the world's leading polluters).

If any country needs to take stronger action, it's the U.S. While Europe has managed to reduce its emissions, American smokestacks and tailpipes are spewing greenhouse gases 8% faster than they were in 1990. A Department of Energy study released last week showed that emissions jumped 3.4% in 1996 alone. At the same time, evidence of global warming's dangers has continued to mount. When politicians started talking seriously about the problem in the late 1980s, the relationship between the proliferation of carbon dioxide and a warming world was largely theoretical. Scientists knew that CO_2 and other gases trap the sun's energy; in fact, without any CO_2 at all in the atmosphere, the planet would be frozen solid. The notion that extra, human-generated CO_2 might drive temperatures too far the other way was convincing. But if warming was on the way, it was too gradual to be detected.

That's no longer true. While the globe has warmed just 1°F on average over the past 100 years, a little temperature rise goes a long way, and the trend is accelerating. The three hottest years in the past century have come in the past decade, and 1995 was the sultriest on record. Spring arrives a week earlier in the northern hemisphere than it did a decade ago. Mountain glaciers are melting all over the world, and the permanent sea ice surrounding Antarctica has receded dramatically. Unusually severe weather has been more frequent in the past few years, quite plausibly a

CLYDE H. SMITH—PETER ARNOLD; OPPOSITE: DON SPIRO—TONY STONE ABOVE



WHAT CLINTON IS WILLING TO DO

Acknowledging that the U.S. has no way to meet its original treaty obligation to cut greenhouse-gas emissions to 1990 levels by 2000, the President proposes to hit that target between 2008 and 2012, which would require a 20% reduction in projected pollution levels.

WHAT OTHERS PROPOSE

EUROPEAN UNION Setting themselves up as leaders on this issue, the Europeans say developed nations should reduce greenhouse gases to 15% below 1990 levels by the year 2010

ALLIANCE OF SMALL ISLAND STATES In danger of being inundated by rising sea levels, these nations say industrial countries should cut emissions to 20% below 1990 levels by 2005

G77 STATES AND CHINA This diverse group of less advanced countries is willing to go along with the European plan, but only if developing countries are exempt from any restrictions that might slow their progress toward prosperity

JAPAN As host of the all-important Kyoto conference in December, Japan wants to play a leadership role, but its proposal is relatively weak: developed nations should cut emissions to 5% below 1990 levels between 2008 and 2012

consequence of both higher temperatures and the increased evaporation and precipitation they'd be likely to cause.

Flora and fauna are showing the impact of a hotter planet too. Animals that thrive in warmer climates, like the Edith's checkerspot butterfly in the American West, have begun to extend their range northward, while cold-loving creatures such as brook trout have vanished in some areas. Plants are pushing to higher latitudes and higher altitudes. Tropical diseases, including malaria and dengue fever, have begun to move into regions that were once too cold for their insect carriers.

The fact that the world is warming, in short, is unmistakable, and the argument made by some scientists that it's just a natural phenomenon has been dashed by new evidence. The pattern of warming, according to the latest climate research, is just what you'd expect if human activity were responsible. Thus, these effects will almost certainly speed up as greenhouse gases continue to accumulate in the atmosphere. Many scientists have predicted that average temperatures will go up from 2°F to 9°F by the end of the next century. An increase at the higher end of that range could be disastrous for some countries. The seas could rise several feet, inundating coastal areas and submerging low-lying countries like the Maldives almost entirely.

It was against this backdrop, with the Kyoto meeting fast approaching, that the President decided he had to get behind mandatory restrictions of greenhouse emissions, not just voluntary targets as set out in the 1992 treaty. Says White House spokesman Mike McCurry: "He wanted to have a negotiating position that would at least get him a seat at the table." Figuring out how to do it, though, has been one of Clinton's toughest policy decisions, partly because there was such a deep split among his advisers. Environmental advocates clearly favored more drastic action, but economic aides warned that forcing companies to spend money on trimming emissions might slow the robust economy, which has been the best news of the Clinton presidency.

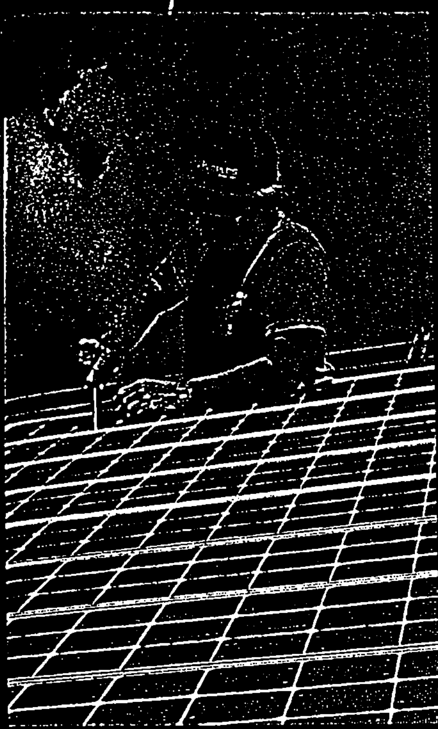
Clinton also knew that whatever proposal he made would not only have to pass muster in Kyoto but would also have to please a hostile Congress. The lawmakers have already made his life hard enough on this issue. Last summer the Senate passed a unanimous resolution demanding that any climate treaty oblige developing countries to cut their own emissions—a requirement reflected in last week's proposal and, predictably, a provision that infuriated the less advanced nations. Said the Marshall Islands' delegate Espen Ronneberg: "If the biggest emitter of pollutants doesn't accept its responsibility, how can we expect anybody else to?"

INDEED, MANY DELEGATES TO THE BONN MEETING ARE OFfended that the U.S. is making any demands at all, considering how little it has done to fight the greenhouse effect. In fairness, while the European Union has taken the problem more seriously, some of its success was due to political accident. The collapse of the Soviet bloc, for example, allowed Germany to shut the former East Germany's most antiquated factories. And in England, the declining power of coal miners' unions enabled factories to switch to cheaper but less polluting fuels they'd long favored anyway.

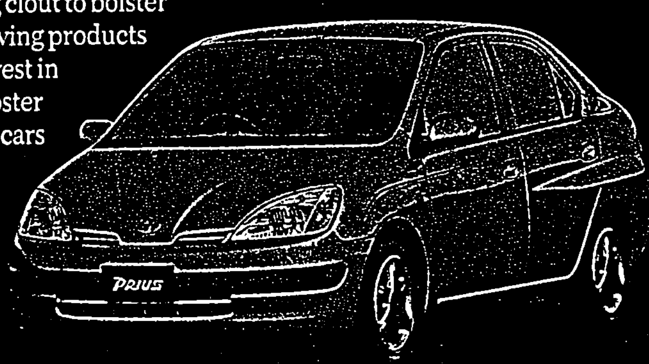
In the U.S., by contrast, politics has worked against greenhouse-gas reductions. A Clinton proposal for a new energy levy—the so-called BTU tax—was scuttled by Congress in 1993. And the Republican takeover in 1994 made it essentially impossible for the President to impose any serious measures that could be seen as antibusiness, such as energy taxes, harsher emissions limits on factories or stricter auto-mileage standards. At the same time, the economy began to grow faster than anyone expected, boosting the release of greenhouse gases as factories churned out more goods.

The Administration's only recourse was to issue a set of voluntary standards for energy efficiency. Surprisingly enough, they did some good. "We failed miserably to meet the goals of the 1992 treaty," says Environmental Defense Fund senior scientist

HOW CLINTON WOULD DO IT



Rather than dictate exactly how U.S. companies would have to achieve lower emissions, the Administration wants to lure them into compliance with a series of carrots. First would come tax credits and other rewards, still unspecified, for cooperative businesses. The government would also use its purchasing clout to bolster markets for energy-saving products like solar cells, and invest in research that would foster new technologies like cars driven by clean-fuel cells. And eventually, Clinton wants the world's nations to join in a scheme in which companies would be able to buy and sell the right to release carbon dioxide. That would create a powerful financial incentive for them to cut back emissions. The goal: achieve the cleanest possible air at the lowest possible cost.



Cleaner technologies include solar cells, left, and "hybrid" cars that run on both gas and electricity

Michael Oppenheimer, "but it's also true that our emissions grew significantly less than they would have without the standards."

Navigating carefully through what amounted to a political minefield, Clinton finally settled on a program that would start as painlessly as possible, with a five-year, $5 billion program of tax credits for companies that invest in energy-saving technology, and government spending on energy research. He pointed out that many fuel-saving technologies, such as compact fluorescent light bulbs, already exist, and other breakthroughs, like practical fuel cells that generate clean energy by combining hydrogen and oxygen, are being put to greater use all the time. The government has already begun to jump start the alternative-energy industry by purchasing products like solar cells in bulk.

In 2008, the Administration proposes, the world should embark on a program to use the power of the marketplace to reduce greenhouse emissions. Though the exact details are far from worked out, permits to produce certain levels of gas could be issued to companies. Such permits could be sold, giving firms an incentive to cut emissions and then be able to profit from selling pollution rights. Moreover, the permits could be traded across national borders. If a company in Germany, for example, built an energy-efficient factory in China, it could avoid having to squeeze extra efficiency out of a factory back home. Such a scheme is in place within the U.S. to reduce sulfur-dioxide releases from power plants, and it has slashed that type of pollution 30%.

With all the competing interests Clinton had to take into account, his proposal is probably as politically astute is it could be. "It buys off corporate opposition up front by throwing subsidies at companies to adopt 'green' energy practices," observes Jerry Taylor, director of natural-resources studies at the Cato Institute, a Washington research organization. And while he would have preferred a stronger plan, the EDF's Oppenheimer likes the fact that Clinton wants immediate tax credits for energy efficiency.

Plenty of domestic opposition remains, however. Despite the President's self-congratulatory language, most environmentalists didn't think the proposal was especially meaningful or far-reaching. "A Band-Aid on a problem that requires a tourniquet," Robert Musil, executive director of the Physicians for Social Responsibility, called it. And many conservative politicians and business leaders ridiculed Clinton's claims that his plan will cause no harm to the economy. It will, insists Republican Representative Bill Paxon of New York, "wind up costing the taxpayers billions of dollars and millions of jobs."

Paxon and other conservatives may like the climate treaty that emerges from Kyoto even less. The U.S. has staked out an extreme position, and it will undoubtedly have to compromise with those who advocate a much tougher stance against greenhouse gases. With that in mind, the Administration has held back a few of its cards. While the plan is silent on what would happen after 2012, for instance, White House officials concede privately that they are willing to offer an additional 5% reduction. But that won't do much to allay other nations' established hostility toward Clinton's emissions-trading scheme and his insistence that developing countries agree to their own cutbacks.

Still, the anti-U.S. sentiment in Bonn last week wasn't universal. Declared Meg McDonald, Australian Ambassador for the Environment: "We think it's better to do what's realistic ... than have unrealistic targets which are never reached." And although Raul Estrada-Oyuela of Argentina, chairman of the Bonn session, criticized the U.S. position as "very modest," he was "impressed by the fact that Clinton chose to make the offer himself. That is encouraging." Estrada-Oyuela warned other representatives against reacting impulsively and said the measures proposed by the U.S. would have to be analyzed carefully before action could be taken. Diplomatic words, certainly, but also an admission that without U.S. help, nothing can prevent the temperature from spiraling upward unchecked. *—Reported by Ursula Sautter/Bonn and Dick Thompson and Karen Tumulty/Washington*

The New York Times
Circ: 1,187,950
OCT 27 1997

An Indefensible Treaty A27

By Jack Kemp

WASHINGTON

Imagine a nuclear arms reduction treaty in which three nuclear powers — say, Russia, France and China — committed to no specific reductions while other nations disarmed. It seems absurd.

Now imagine negotiating a global climate change treaty to reduce carbon emissions, but with no specific commitments from 3 of the 10 biggest carbon producers, and without even a clear global target. It seems equally absurd.

Clearly this is the view of the Senate, which in late July passed a resolution by a 95 to 0 vote stating that the United States should not sign any climate change agreement unless it "mandates new specific scheduled commitments to limit or reduce greenhouse emissions for [developing countries and] would not result in serious harm to the economy."

Frankly, even if these conditions are met, the President should sign no treaty. Whether humans are influencing the climate is unknown. Despite the mantra from the Clinton Administration that the science is settled, it is not. The May issue of Science magazine made this clear. So too did the Heidelberg Appeal, a petition signed by hundreds of distinguished scientists urging against precipitous action.

Bert Bolin, who directed the United Nations scientific report on the issue, disagrees with President Clinton's and Vice President Gore's belief that climate change is causing more violent and unpredictable weather. This year, even the Sierra Club's conservation director, Bruce Hamilton, admitted, "If you look at the science, it's all over the board."

But even if you buy the premise behind global warming, this treaty is indefensible. A "global" warming treaty is no such thing if it omits developing nations where most growth in emissions will take place. This includes China, Brazil, Mexico, South Korea and other developing nations, which are expected to produce 60 percent of global carbon emissions in the next few decades. In fact, China is expected to become the biggest carbon producer on the planet.

> Clinton's climate plan would choke U.S. competitiveness.

By failing to include developing nations, we are working against the very purpose of a treaty intended to address the worrisome potential problems of global warming.

Yet the Clinton Administration seems to be pursuing just such an agreement in the negotiations leading up to December's international global climate change meeting in Kyoto, Japan.

In his recent speech outlining his position, the President said the "United States will not assume binding obligations unless key developing nations meaningfully participate in this effort."-But what does "key" mean? Does the President intend to sign a treaty that does not include other nations, say, China, Brazil or Mexico? If so, he should say so.

Moreover, with the December treaty deadline fast approaching, our Government has not conducted its own thorough analyses of the treaty's impact on the American economy nor has it embraced any of the many macroeconomic studies already produced.

How can such far-reaching policy be negotiated without a thorough examination of the treaty's effects on the economy, American workers and communities? How can we find solutions that protect workers and communities without first identifying specific global goals? How can we protect ourselves from economic upheaval without honest public analysis of the economic impact associated with the lower carbon emission plan that would be imposed? We have hard work to do before we make hasty agreements.

As Bill Cunningham, a spokesman for the A.F.L.-C.I.O., noted in a statement delivered last March:

"Let there be no mistake, whatever happens with respect to greenhouse, it will be working people who finally pay most of the cost. Whatever taxes governments raise, whatever regulation they impose, whatever measures business introduces — it will be working people who finally must implement the changes and pay much of the cost."

Taking time to act intelligently will serve us all better than trying to live with a flawed agreement. □

Jack Kemp is a co-chairman of the Alexis de Tocqueville Institution and a co-director of Empower America.

Los Angeles Times
Circ: 1,104,651
OCT 2 7 1997

Immobilized by Propaganda A11

■ Global warming: U.S. heeds industry PR while Europeans act to cut energy, resource consumption.

By DONELLA H. MEADOWS

JIM BORGMAN, Cincinnati Enquirer

Listening to climate-change talk in the U.S. and in Europe, I have to wonder whether we're all living on the same planet.

Several European governments have detailed plans for cutting their economies' 1990 fossil fuel use (hence emissions of the greenhouse gas, carbon dioxide) by 15% or 20% by 2005.

Meanwhile, President Clinton has generously offered to get U.S. emissions back down to their 1990 level—twice as high per capita as the European level—by 2008 or 2010 or maybe 2012.

The European press don't ask commentators like me whether global warming is real. They take seriously the consensus of the 2,400 scientists who participate in the ongoing global forum called the Intergovernmental Panel on Climate Change. They ask "What can be done?" and "Why is the United States such a laggard on this issue?"

Meanwhile, American media seem to be mesmerized by a handful of scientific doubters, most of them funded by coal or oil companies, utilities or right-wing think tanks. The doubters point to every uncertainty in climate science, while ignoring the certainties.

Not a scientist in the world doubts that carbon dioxide traps heat or that burning oil, coal or gas releases carbon dioxide. No one questions the measurements that show carbon dioxide increasing in the atmosphere. Starting at about 270 parts per million 100 years ago, its concentration is now above 360 parts per million. The global climate conference in Kyoto this December will decide whether we should try to level off at 450, 750 or 1,000 parts per million, all of which would require significant reductions of current greenhouse gas emissions and all of which are almost sure to cause major changes in the climate.

But Americans still are told there might not be a problem.

American industry just beamed into Washington $200,000 worth of radio spots in which a "Harry and Louise" couple complain that protecting the climate could raise gasoline price by 50 cents a gallon.

Europeans pay four times as much for gas as we do without whining about their sacred right to drive minivans. They compete on the global market while driving high-mileage cars and riding attractive, convenient, efficient mass transit systems. Europe subsidizes trains and trams; America subsidizes highways and parking lots.

Last month at a business conference in Salzburg, Austria, European executives were waving around a best-selling German book, "Faktor Vier" (Factor Four), by Ernst von Weizsacker of the Wuppertal Institute in Germany and Amory and Hunter Lovins of Rocky Mountain Institute in the U.S. The book shows how industrial society could get four times as much productivity out of energy and materials with known technologies at costs that are not only affordable, but probably negative.

That is to say, we could run our economy while reducing our assault on the atmosphere by 75%. Or double economic output while cutting emissions in half. "Faktor Vier" is crammed with case studies of companies, buildings, towns, banks, cars and farms that have reduced energy or resource consumption, typically by that factor of four. In almost every case, not only have energy and material costs gone down, but labor productivity, comfort and convenience have gone up.

The European executives were asking: How do we all do this? They talked of innovative technologies that could get Europe to "Factor 10"—a 90% reduction, which is what it would actually take, worldwide, to stabilize the climate.

In America, the Global Climate Information Project, a coalition of business associations, has budgeted $13 million for a public relations blitz to convince Americans that reducing fossil fuel consumption would cause economic collapse.

Europeans, who are exposed to more education and less PR than Americans, question that claim. It

CONTINUED

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assumes, they point out, that the only way to cut energy use is through massive taxes. It doesn't count the savings not only from buying less energy, but also from having less air pollution, fewer oil spills, better health, less dependency on foreign supplies—not to mention a more stable climate. It assumes that technology will freeze, rather than shift to greater efficiencies and new energy sources. It is, in short, a piece of propaganda.

The proposed Kyoto treaty will be unfair, U.S. industry says, because it will require us to sacrifice, but not Mexico, China, India or other low-income countries. The Europeans I talk to believe that those countries, whose fossil fuel use per person is a fraction of ours but rising fast, should be helped not to follow our wasteful technological path. The way to do that, they think, is to demonstrate the new path ourselves.

Before he boldly promised the status quo, Bill Clinton made another speech in which he said the U.S. could reduce greenhouse gas emissions "by 20% tomorrow with technology that is already available at no cost." He's probably too optimistic about the "tomorrow" part—it would take a few years—but not nearly optimistic enough about the 20%. In Europe, they're talking about wasting 20% or 50% or 90% less energy and helping the environment and moving away from the dirty technologies of the past century into the clean ones of the next century

Why on Earth don't we try to beat the Europeans to it?

Donella H. Meadows is an adjunct professor of environmental studies at Dartmouth College.

October 27, 1997

Islands Blast US on Global Warming

Filed at 4:28 p.m. EST

By The Associated Press

BONN, Germany (AP) -- Island nations lashed out Monday at President Clinton's plan to gradually combat heat-trapping gases, saying it sets back efforts to counter climate changes they fear could wipe them off the map.

``It seems to us that the United States has gone backwards, not forward," Samoan delegate Tuiloma Slade bitterly told a session of the U.N. talks. ``The countries that I am speaking for cannot wait."

Many European nations, developing countries and environmentalists have already condemned the U.S. plan as too modest. But island nations -- fearing they will be submerged by rising seas as the Earth warms -- favor the sharpest emission cuts.

``We cannot allow others to play with fate as regards our future," said Slade, speaking on behalf of more than 30 island nations.

The U.S. proposal would commit industrial nations to cutting emissions of carbon dioxide and other greenhouse gases to 1990 levels by 2012. Cuts below 1990 levels would follow in the next five years.

The island nations have called for 20 percent reductions below 1990 emission levels by 2005. The European Union has proposed a 15 percent cut by 2010; Japan has suggested a formula that would lower emissions an average of 5 percent or less below 1990 levels by 2012.

The planet has grown warmer in the past century and scientists predict average global temperatures might rise another 6 degrees next century if greenhouse gases in the atmosphere are not reduced. A U.N. scientific study says such global warming might raise ocean levels by two feet because of heat expansion and the melting of glaciers.

The U.N. talks, begun in 1995, are scheduled to produce an accord at a Dec. 1-10 meeting in Kyoto, Japan. The diplomats meeting in Bonn have until Friday to try to clean up the draft text.

Bargaining heated up after Clinton's emission targets angered other countries at the negotiations.

In an effort to pressure the United States to come up with more ambitious goals, developing nations are seeking to strike the idea of international emissions trading from the draft text. Such trading, in which countries and companies could buy and sell credit for pollution cuts, is a key part of Clinton's plan. Washington says it would add flexibility to the treaty.

When the spokeswoman for the developing countries failed to show up at a meeting on the topic Saturday, the U.S. delegation walked out

The Washington Times
Circ: 66,662
OCT 2 6 1997

CAL THOMAS

Cooling down on global warming

B1

As with his attempt to nationalize health care, President Clinton has realized he can't get it all at once on "global warming," so he appears to have decided to take the incremental approach.

The president announced a more modest objective than he has previously stated by calling for the reduction of greenhouse gases to 1990 levels over the next 15 years. The unproved theory in which the president and Vice President Al Gore believe is that emissions of carbon dioxide, methane and other gases trap heat in the atmosphere and cause the planet to heat up, melting glaciers and potentially threatening health and life as we've known it.

The administration is basing its alarm largely on a 2,000-page opus put together under the auspices of the United Nations and with the active support of virtually every major environmental group, from the Sierra Club to the leftist Union of Concerned Scientists and Environmental Defense Fund. But, as noted in an excellent overview of the report in the Nov. 3 Forbes magazine, the political decision to forge ahead on global warming is based on a seven-page executive summary, not the document itself. That summary was not written by a scientist but by Robert Watson, who at the time was associate director of environment at the White House Office of Science and Technology Policy. He was appointed to that post by Mr. Gore.

The summary reaches different conclusions from the scientists'. Reporters are basing their journalism not on the report, but on the summary and its decidedly political conclusions.

Forbes' Christine Hill interviewed Peter P. Rogers, Ph.D., a Harvard environmental scientist, who is respected by both environmentalists and businesspeople. Mr. Rogers says scientists need "at least five more years to study the problem" of global warming. But the politicians want us to act now, before sufficient evidence is in.

Furthermore, says Mr. Rogers, the members of the executive committee who wrote the summary were chosen not for their qualifications as environmental scientists but for regional, racial and gender diversity. Says Mr. Rogers. "Instead of looking for an expert in a field of study, the panel needed to fill a position with an African scientist or a woman. Debates were judged by votes rather than reasoning."

Mr. Rogers says that while it is true half the world's living Nobel laureates in science have signed a petition urging action on global warming, few of them know much about environmental science or climate change. He says that two of the three climatologists who have won Nobel prizes do not agree with those who believe human activities are causing global warming.

Mr. Rogers says while the trapping of greenhouse gases is a plausible theory, it is too early to conclude that it is the correct one. Oceans, he notes, hold most of the thermal mass of the Earth, and they have not been properly studied. Most scientists agree that ocean currents and winds play a big role in world temperatures, but these factors are not included in computer models that forecast global warming.

In fact, the models are so primitive that the Great Lakes and the Sierras are ignored. Predictions are so absurd that one forecasts the flooding of Death Valley. Another says that because of higher CO_2, 100 years from now, rainfall in the Midwest could rise by 15 percent — or it could fall by the same amount. And most global-warming models fail to include cloud cover, the most important factor determining the Earth's temperature.

Texas A&M's Department of Meteorology chairman Gerald North has the right approach: "I believe we have a decade or so in which we can collect data and refine our models before we have to act."

That's a scientific, not a political, response. But the Clinton administration, always seeking new ways to expand the power and reach of government, wants to use "global warming" as a scare tactic to acquire more power for government and, as a side "benefit," propel Mr. Gore, one of the most radical of the environmentalists, into the White House.

The president's decision to adopt incrementalism is an acknowledgment that he and Mr. Gore can't have it all right now. But that's their goal, and principled scientists and businesspeople should oppose that ultimate objective until the facts are in.

Cal Thomas is a nationally syndicated columnist.

JAPAN: "Japan Should Convince U.S. To Commit To Emission Reductions"

An editorial in top-circulation, moderate Yomiuri (10/24), "Everywhere in the world, people who support the fight against global warming are disappointed by the U.S. greenhouse gas reduction proposal. As the country that emits the largest amount of CO2 and other greenhouse gases, the United States bears a major responsibility for dealing with the problem.... Wednesday's announcement showed that the president had to yield to the resistance (against emission cuts). Japan, the United States and the European Union have now presented their proposals. There is a large gap between the proposals of the United States and the EU, with the latter calling for a 15 percent reduction below 1990 levels by 2010. Working out a compromise will be a formidable task. As chair of the Kyoto conference, Japan must work unstintingly to make the conference a success."

"Kowtowing To Interests Of U.S. Industry"

Lutz Warkalla judged in an editorial in centrist General-Anzeiger of Bonn (10/24), "Clinton's leadership has turned out into a kowtow before the interests of U.S. industry and the spearcarriers in Congress.... What is even worse: Those who like Clinton reject the Climate Framework Convention with the remark that it is not a binding convention are questioning the whole series of UN conferences of the past years. The industrialized countries should not slow down the protection of the climate, but they must be the trailblazers. It is them not the developing nations who emit the majority of greenhouse gases. Clinton missed the opportunity to make this clear to his compatriots."

"U.S. Proposal Irresponsible"

An editorial in business-oriented Nihon Keizai held (10/24), "Although preparatory work has entered the final stage, the gap between the U.S. and Japanese proposals and the EU proposal remains wide, raising concerns over whether it can be closed.... The American proposal is irresponsible because CO 2 emissions in the United States account for a fourth of the world's total, and because per capita American CO2 emissions are more than twice those in Japan.... Japan should (help the parties) reach a consensus on global warming issues before the opening of the Kyoto meeting, where far-sighted gas reduction proposals can be realized under Japan's chairmanship."

BRITAIN: "Guzzling To Disaster"

The liberal Guardian's editorial said (10/24): "The global storm of criticism aroused by Bill Clinton's statement on global warming has had one positive result: Everyone now knows that

the United States accounts for 22 percent of the world's output of greenhouse gases. The conclusion that America should be required to make a correspondingly heavy cut is irresistible. Mr. Clinton did not attempt to counter this logic except on the grounds that he faced domestic criticism on both flanks.... He has done a balancing act between the huge fossil fuel and automotive lobby and the rest of the world. It may be practical politics, but it is also playing politics with an environment which does not belong to the United States."

FRANCE: "U.S. Drags Its Feet"

Jean-Jacques Mevel wrote in right-of-center Le Figaro (10/24): "The modest goal of the United States, which is the world's number one polluter, is a disappointment for almost everyone.... France declared that 'it can only express regret at the very limited and disappointing objectives set out by the United States.'... But in the United States, as in Germany, ecology is politics. It is an important electoral platform.... For Bill Clinton, it seems that the time has not yet come to make sacrifices."

"Clinton Retreats"

Patrick Sabatier declared in left-of-center Liberation (10/24): "The Clinton plan sounds a retreat which France has clearly labeled 'a disappointment.'... True to his warning, Clinton has displeased everyone: the ecologists, because his plan does not take into consideration the urgency of the problem, and the industrial polluters who consider the president's plan to be 'unacceptable.'... Meanwhile, the first victim of this brutal warming debate may well be Al Gore, 'the Ozone Man.'"

BELGIUM: "Displeasing The Hares And The Hounds"

Financial L'Echo (10/24) concluded, "By running with the industrial hare and hunting with the ecologist hounds, President Clinton displeased both. The U.S. plan...includes $5 billion dollars in aid to encourage enterprises to reduce emissions of greenhouse effect gas....under the form of tax reductions and of credits to research and development of new technologies. This should soften the 'pill' which U.S. industrialists will have to swallow. A very necessary and quite thin pill, in view of the fact that the United States is the planet's leading polluter.... Bill Clinton's objective is far inferior to that of Europe, of Japan and even to the U.S. president's own commitment in 1993."

DENMARK: "U.S. Failure"

The lead editorial in center-left Politiken remarked (10/24) under the headline above, "The

president's weak climate presentation has put the United States in the international classroom corner.... Clinton is bound hand and foot by the American Congress, but the president has made his own bed. He has waited far too long to involve the public authorities in a case the United States has a

duty to take seriously. For far too long he has attempted to placate the old industries which stand to lose out, instead of supporting the new industries which look to make money out of saving energy and making current energy use more efficient. The question is: What should the EU do? The harsh reactions of EU Commissioner Ritt Bjerregaard, the German Foreign Minister Klaus Kinkel and the Danish Environmental Minister Svend Auken are warranted. They ought to be f ollowed up by an attempt to make an agreement with the large group of developing countries which have supported improvements at the climate conference in Bonn. The disadvantage of such an agreement would of course be that the United States--and with it 25 percent of the world's CO2 emissions--would be outside the UN Climate Convention when the `details' are hammered out in Kyoto.... A good agreement, which puts pressure on the reluctant nations is to be preferred. The alternative is protracted negotiations with the United States with the president functioning as a ventriloquist for the oil and coal industries."

SPAIN: "Clinton Jumps In...And Drowns"

Independent El Mundo opined (10/24) under the headline above: "Clinton...with an eye to December's climate summit in Japan, has said his country will not reduce one iota below their 1990 levels its atmospheric-warming greenhouse gas emissions.... Most assuredly, the USA has never been a model of ecological virtue.... But, oh yes! It forbids smoking as injurious to health."

The Inquirer S M T W T F S October 24, 1997

World

Delegates frown on Clinton's gradual remedies for global warming

By Tony Czuczka
ASSOCIATED PRESS

BONN, Germany -- Delegates to U.N. talks said yesterday that President Clinton's gradual approach to curbing global warming was "modest" and "disappointing" -- polite criticism that only hinted at their frustration in trying to salvage a global agreement.

Clinton presented the U.S. proposal for cutting emissions of greenhouse gases Wednesday, setting in motion the decisive phase of bargaining over a global accord that is to be signed at a Dec. 1-10 meeting in Kyoto, Japan.

No breakthrough on emission targets was expected at the lower-level talks now being held in Bonn, scheduled to end Oct. 31.

Clinton's proposals, condemned as too timid by many European nations, developing countries and environmentalists, would commit industrial nations to cutting emissions of carbon dioxide and other heat-trapping gases to 1990 levels by 2012. Cuts below 1990 levels would follow in the next five years. The 15-nation European Union wants emissions cut to 15 percent below 1990 levels by 2010.

"My first impression is that [Clinton's] offer is a very modest one," said Raul Estrada-Oyuela, the Argentine chairman of the U.N. meeting of about 150 nations.

German Environment Minister Angela Merkel said the U.S. plan was "insufficient." The French Foreign Ministry called it "disappointing."

After the United States presented its proposal at yesterday's session, Zimbabwe -- speaking for African nations -- scathingly rejected it before Estrada-Oyuela postponed debate until Monday, meeting participants said. The session was closed to reporters.

Delegates apparently were still studying details of the U.S. plan.

The U.S. proposal was the last major element missing in the talks on binding cuts in emissions of the heat-trapping gases, which began in 1995.

Two White House aides arrived in Bonn yesterday to lobby other countries to accept Clinton's plan. One, David Sandalow, suggested the President's proposal left U.S. negotiators limited room to bargain.

Bill Hare of the Greenpeace environmental group appealed to German Chancellor Helmut Kohl, British Prime Minister Tony Blair and other European leaders to urge Clinton to toughen his plan.

Developing countries, including China, Brazil and India, have thrown their weight behind the EU targets, leaving the United States largely isolated. Japan, taking a middle position, seeks a 5 percent cut in 1990 levels by 2012.

While emission cuts are highly controversial, delegates in Bonn are also seeking agreement in a host of other areas where U.S.-European disputes are often a factor.

These include which pollutants the treaty should cover, how to amend it to reflect new research on global warming, and whether the pact should call for international coordination on policies -- such as energy taxes -- to fight emissions of greenhouse gases.

U.S. Allies Criticize

Anti-Warming Plan

Washington Post 10/24/97

Clinton Proposals Decried as 'Insufficient'

By William Drozdiak
Washington Post Foreign Service

BERLIN, Oct. 23—Major U.S. allies in Europe and Asia criticized President Clinton's long-awaited plan to curb global warming today as weak and ineffectual, claiming it does not measure up to U.S. responsibilities to protect the environment as the world's leading polluter and lone superpower.

The skeptical response to Clinton's package of incentives and modest goals—which seeks to stabilize greenhouse gas emissions at 1990 levels between 2008 and 2012—reflects the new light in which the world has begun to assess American leadership in the post-Cold War era.

In terms of the environment, the United States is being scrutinized to see if it is willing to accept sacrifices to cope with global warming that are commensurate with its overwhelming influence. By that yardstick, Clinton's prescription on how to curtail greenhouse gases has come up short in the court of world opinion.

Germany's environment minister, Angela Merkel, called the U.S. proposals "disappointing and insufficient." Japanese Prime Minister Ryutaro Hashimoto lamented that "there might have been room for further efforts." Britain's deputy prime minister, John Prescott, said the plan does not go far enough, and he urged the United States to become "much more ambitious" in preparation for final negotiations on a global warming treaty in Kyoto, Japan, in early December.

"It is simply not good enough," said Peter Jorgensen, spokesman for the 15-nation European Union's executive commission in Brussels. "There must be something better coming from the White House if the United States wants to face up to its global responsibilities."

Most countries of the world tax gasoline so heavily—both to encourage energy conservation and to provide government revenue—that the fuel costs $5 a gallon or more at the pump. With prices about one-fourth that in the United States, the global warming controversy has convinced many foreigners that Americans are not just wasteful gas guzzlers but a menace to the rest of the planet.

ASSOCIATED PRESS
British Deputy Prime Minister John Prescott says U.S. plan falls short.

While administration officials sought to portray the Clinton plan as a balanced formula to accommodate the anxieties of industry and environmentalists alike, governments in Europe, Japan and the developing world say it is woefully inadequate for a nation that represents 4 percent of the world's population but produces 25 percent of the carbon dioxide and other gases that may provoke a disastrous rise in Earth's temperature.

Greenhouse gases are produced mostly by the burning of fossil fuels as primary energy sources, such as coal and oil. The gases emulate a greenhouse effect by trapping Earth's heat in the atmosphere and raising temperatures. Scientists say this warming effect will elevate sea levels by melting polar icecaps and cause drastic shifts in weather patterns, provoking floods in some areas and drought in others.

Clinton's plan was unveiled as delegates from 150 nations gathered in Bonn to try to narrow differences on a global warming treaty prior to the final round of negotiations in Kyoto. The Bonn talks will focus on two key goals: where to set targets for industrialized nations in curbing greenhouse gases and how to contrive a formula that

See WARMING, A32, Col. 1

Global politi·s, political warm.ng

Four years ago President Clinto nounced a 50-point p.an to curb so-called greenhouse gases, principally carbon dioxide. This week talks coninue in Bonn, Germany, on an greement to cut future emissions elow 1990 levels. "The only thing ve know for absolute certain is that oluntary programs won't work," ontends Jessica Tuchman Mathws, president of the Carnegie Endowment for International Peace.

Actually, we also know that ctivists are misung science in emanding Draonian energy estrictions to avert lobal warming. In act, there is no onsensus among limatologists that ncontrolled, uman-induced varming threatens he planet. Or that the kinds of meaures being discussed in Bonn vould avert such a disaster.

> *Massive emission cutbacks would mean fewer jobs, less production, and a lower standard of living.*

The climate has long been a avorite of apocalyptics. Two ecades ago there were fears of — new ice age. Publications like Iational Geographic reported horter growing seasons, summer rosts, and advancing glaciers. Time magazine observed that "the tmosphere has been growing radually cooler for the past three ecades. The trend shows no indiation of reversing." There were lso books, including "The Weathr Conspiracy: The Coming of the Iew Ice Age and Ice: The Ultimate Iuman Catastrophe."

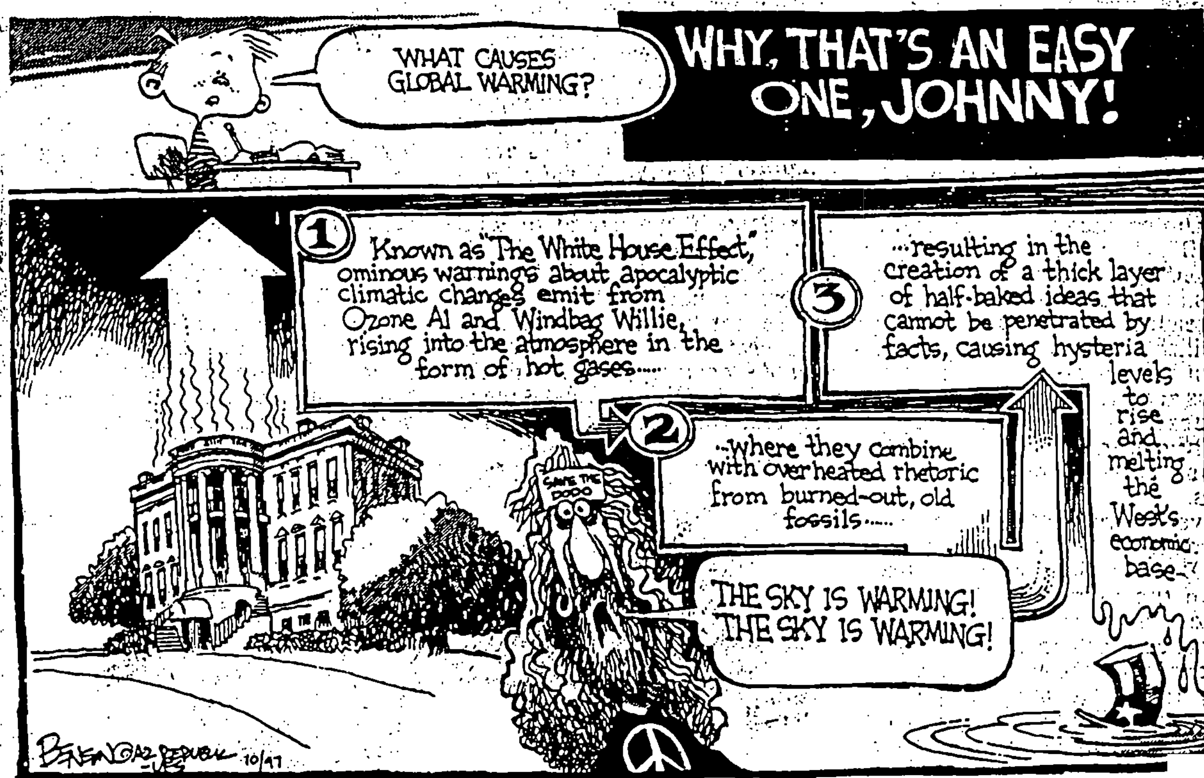
The latter, written by Fred Hoyle nd published in 1981, proclaimed: It is 12,500 years since the last ice ge ended, which means the next ne is long overdue. When the ice omes, most of Northern America, ritain, and Northern Europe will isappear under the glaciers." Mr. Ioyle advocated warming the ceans.

But, happily, that crisis passed. o we moved on to global warming. 'he basic theor hat pollutants — so-called greenhouse gases — are accumulating in the atmosphere, holding in the heat, and causing the world's temperature to rise. It remains just a theory, however, since climate change is a complex business.

Indeed, there is no one right temperature. After all, there was once an ice age. If we could choose, we should choose a warmer climate. Fewer people die in the cold, less money is spent on energy, growing seasons are longer. The real issue, then, is whether the Earth faces an uncontrolled, catastrophic increase in average temperatures.

Unfortunately, the debate has become highly political. Stephen Schneider, who once warned of a new ice age, has complained that "it is journalistically irresponsible to present both sides." Despite being a scientist, he admitted: "I don't set very much store by looking at the direct evidence." Why not? "To avert the risk we need to get some broad-based support, to capture public imagination. So we have to offer up some scary scenarios, make some simplified dramatic statements and little mention of any doubts one might have." So much for genuine scientific discourse. Explained Mr. Schneider: "Each of us has to decide what the right balance is between being effective and being honest."

He's not interested in direct evidence, presumably because, as even the Sierra Club's Bruce Hamilton acknowledges, "If you look at the science, it's all over the map." Past polls have found that most climatologists do not believe human-induced warming has occurred. Activists cite the latest



report of the U.N.-sponsored Intergovernmental Panel on Climate Change, but lead author Benjamin Sanger complains that "it's unfortunate that many people read the media hype before they read the chapter." He cites the report's many caveats: "We say quite clearly that few scientists would say the attribution issue was a done deal."

Disputes begin over data collection and temperature trends. The best evidence suggests far less warming so far this century than predicted by the models. Moreover, 90 percent of the warming occurred before 1940, when emissions of supposed greenhouse gases began to climb dramatically. In fact, as John Shanahan of the Alexis de Tocqueville Institute ts out, "the government's own satellite data and balloon measurements over the last 18 years show a very slight cooling," the opposite of "what the climate models predict should have occurred."

Thus, there is good reason to avoid burdensome treaty commitments. Since the United States is already one of the globe's most efficient energy consumers, massive emission cutbacks would mean fewer jobs, less production, and a lower standard of living. A Heritage Foundation study estimates the cost of proposed controls from 2001 through 2020 to be $3.3 trillion, or about $30,000 per household. It obviously matters whether environmental activists are choosing effectiveness or honesty when making their claims.

It is not enough to delay the agreement's compliance date, as proposed by Mr. Clinton. There should be no controls without genuine consensus both that disaster threatens and that new regulations would avert disaster.

And that requires facts, not rhetoric. The burden of proof falls on those demanding the power to levy new taxes and impose new regulations. Unless such evidence appears, Americans should reject the Chicken Littles who cry that the sky is falling.

Doug Bandow, a senior fellow at the Cato Institute, is a nationally syndicated co ist.

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JAPAN: Hashimoto, Kinkel Discuss U.S. Gas Emissions Plan OW2410094697
Tokyo Kyodo in English 0911 GMT 24 Oct 97

[FBIS Transcribed Text] Tokyo, Oct. 24 Kyodo -- Visiting German Vice Chancellor Klaus Kinkel called Friday on Japan, the host of the International Conference on Climate Change in Kyoto in early December, to further coordinate targets for greenhouse gas emissions cuts for a successful agreement, Foreign Ministry officials said.

Kinkel, who is also foreign minister, made the request during a 15-minute meeting with Prime Minister Ryutaro Hashimoto at the premier's official residence, the officials said.

Hashimoto was quoted as replying, "as we have to bring the Kyoto conference to an successful end, we will make further efforts to coordinate (varied proposals)...We want to get Germany's cooperation."

Kinkel criticized the recently announced U.S. proposal, which features a target for industrial countries to stabilize greenhouse gas emissions at 1990 levels between 2008 and 2012, telling Hashimoto that European reaction to it is quite negative, the officials said.

Kinkel urged Hashimoto to listen to the opinions of the third world, which the foreign minister said are especially critical of the U.S. proposal, they said.

Hashimoto told Kinkel that it is difficult to come in line with the European Union's proposal, saying some EU members such as Germany will be asked to sharply cut emissions while some members may be allowed to increase emissions under the proposal, the officials said.

The 15-member EU has been calling for a 15 percent reduction of emissions of greenhouse gases by 2010 relative to 1990.

The EU plan seeks differentiated targets for its member nations which vary from a 30 percent cut in some cases to a 40 percent increase in others.

"We will make all possible efforts, such as a change in national lifestyle and technological innovation, but we cannot set an impossible target," Hashimoto was quoted as saying.

The third conference of the parties to the UN Framework Convention on Climate Change aims at hammering out legally binding numerical targets to reduce greenhouse gas emissions.

Kinkel arrived in Tokyo on Thursday for a two-day stay to attend a biannual regular meeting of Japanese and German foreign ministers, the officials said.

[Description of source: Tokyo Kyodo News Service in English--Japan's largest domestic and international news agency, owned by nonprofit cooperative of 63 newspaper companies and NHK]

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JAPAN: Kinkel Criticizes Japan, U.S. Greenhouse Gas Proposals OW2410113197
Hong Kong AFP in English 1054 GMT 24 Oct 97

[FBIS Transcribed Text] Tokyo, Oct 24 (AFP) -- German Foreign Minister Klaus Kinkel on Friday criticized proposals both by the United States and Japan for cutting greenhouse gas emission.

"I am not satisfied with either the Japanese proposal or the American proposal," Kinkel said.

"We know there is a difference, but we can openly talk about the environmental matters," Kinkel said, referring to the disagreement among the United States, the European Union (EU), and Japan on setting the reduction target of greenhouse gas emission.

The United States proposed a target for bringing down greenhouse gas emissions to their 1990 levels by 2012, while the Japanese plan called for a five percent cut from 1990 levels in the same period.

The EU, for its part, had a far more ambitious plan, which called for reduction of carbon dioxide emissions by 15 percent of 1990 levels by 2010.

During his meeting with Japanese Prime Minister Ryutaro Hashimoto, Kinkel asked Hashimoto to listen to the opinions of the Third World, which are critical to the US greenhouse emission proposal, Foreign Ministry officials said.

"Although we have a difference on the reduction rate of greenhouse gas emission, it is important to have a successful cLimate conference," Kinkel said.

Japan will host a UN-sponsored forum on cLimate change in Kyoto, western Japan, in December.

"We should think about our grandchildren and their grandchildren. A planet must be habitable," Kinkel said.

"On poverty and environment, we have to do more," Kinkel said, adding that Germany and Japan both have "national responsibility" to resolve the matters.

"We must be willing to share the burden," he said.

On other global issues, Kinkel praised Tokyo for its decision to sign an international treaty banning anti-personnel landmines, which is expected to be formally signed in Ottawa on December 3.

But he criticized Japan's practice of hunting whales and urged the country to stop the practice. He explicitly expressed his objection to Japan's use of electric lances in killing whales as

cruel."

Kinkel arrived in Tokyo from South Korea on Thursday for a two-day stay.

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Clinton proposal to curb emissions draws global fire

Allies call for tougher standards

By Willis Witter
THE WASHINGTON TIMES

TOKYO — America's traditional allies from Europe to Asia yesterday criticized President Clinton's proposal to cut climate-altering gasses by early in the next century as not going far enough to avert an environmental disaster.

Australia, the world's largest coal exporter, stood out as a rare supporter of Washington, saying it welcomed the proposals. But it rejected them on arguments they would cause job losses.

Prime Minister Ryutaro Hashimoto, who will host a world conference on global warming in December in Kyoto, led a chorus of criticism, charging that Mr. Clinton should have taken a bolder step to curb gases that are held responsible for changing the climate. Mr. Clinton is to attend the Kyoto gathering.

"It is commendable that U.S. President Bill Clinton has decided to spell out a U.S. proposal ahead of the Bonn preparatory meeting for the international conference on global warming in Kyoto in December," Mr. Hashimoto said in Tokyo.

"However, I think that there might have been room for further efforts."

A top Clinton environmental aide, David Sandalow, defended the plan at a U.N.-sponsored global-warming conference in Bonn, saying it would be counterproductive to set more ambitious targets that were unattainable.

"President Clinton does want an agreement on the basis of the U.S. proposal," he told a news conference. But he added that Washington hopes negotiators can "shape a common approach."

Mr. Clinton proposed Wednesday to stabilize greenhouse-gas emissions at 1990 levels by 2008-2012 and then reduce them. He said a commitment made at a Rio de Janeiro climate conference five years ago to return to that level by 2000 would fail.

His proposals lagged behind the European Union's call for developed nations to reduce their greenhouse-gas emissions to 15 percent below 1990 levels by 2010. Japan proposed a 5 percent cut last week and the EU promptly criticized it as inadequate.

Both the United States and Japan fear that deep cuts in greenhouse gasses will result in closed factories and jobless workers.

Most delegates from 150 countries in Bonn seemed to see Mr. Clinton's stand as a bargaining position, aimed at pulling a compromise that he could sell to a domestic business community.

The EU's 15 percent call has been backed by a large group of Third World countries, which joined in the sharp criticism of the U.S. plan.

The United States and Japan, close allies, stand virtually alone by offering to make some of the smallest cuts in heat-trapping emissions — gasses such as carbon dioxide that are believed to cause global warming.

Binding limits on greenhouse gasses are to be formalized in December in a treaty that will be drafted by more than 150 nations in Kyoto.

Mainstream scientists argue that a buildup of emissions in Earth's atmosphere, mainly from burning fossil fuels such as coal and oil, are responsible for global weather phenomena

Britain, which prides itself on its special relationship with Washington, said Mr. Clinton's proposal did not go far enough.

"What we say is, 'You can be much more ambitious,'" Deputy Prime Minister John Prescott said in London. "This is a global question and, therefore, the whole community has to act collectively."

German Environmental Minister Angela Merkel said Bonn, a close U.S. ally, would try to persuade Washington to agree to a more ambitious target at the Kyoto conference.

"It is a useful step to see that the world's largest producer of greenhouse-gas emissions has now finally put its negotiating position on the table," she said. "But the content of the U.S. suggestions is disappointing and insufficient."

The Washington Times
FRIDAY, OCTOBER 24, 1997

10/24/97

Clinton's Global Warming Plan Gets Chilly Reception (Bonn) By James Gerstenzang (c) 1997, Los Angeles Times

BONN, Germany. On the critical matter of global warming, the United States birthplace of the environmental movement three decades ago is suddenly more out of sync than ever with the rest of the world on a crucial ecological issue.

The U.S. position announced by President Clinton in Washington Wednesday has drawn reactions ranging from disappointment to disdain among the representatives of more than 150 nations who have gathered in Bonn to negotiate a treaty pledging concrete steps to control global warming.

Even more significant, the United States is increasingly finding itself playing the naysayer while a diverse collection of nations says it is ready to take tougher action across the board to fight pollution and ...t the environment.

...he other issues on which the United States has put the brakes on including efforts to protect the ozone layer and plant and animal species and to control the export of toxic waste have attracted none of the international attention devoted to global warming. But U.S. recalcitrance has made the country something of a pariah among international environmental diplomats.

Now, with Clinton's global warming program on the negotiating table, the degree to which other countries have passed the United States in demonstrating a willingness to tackle one of the most intractable and potentially most costly environmental dilemmas couldn't be more clear.

Clinton on Wednesday proposed that industrialized nations reduce their emissions of carbon dioxide, methane and nitrous oxide to 1990 levels during the period between 2008 and 2012. He called for further, unspecified reductions in the following five-year period. Current emissions are 7.5 percent above 1990 levels.

The European Union has proposed a 15 percent cut from 1990 levels of emissions by 2010, while Japan has proposed a complicated formula that would force cuts of 2.5 percent on Japan and an average 5 percent on all the industrialized nations.

In the corridors of the Beethovenhalle here where the conferees are meeting this week and next to prepare a treaty for completion in Kyoto, Japan, in December delegates expressed deep disappointment that Clinton had not moved the United States closer to the positions put forward by some of its greatest economic partners and competitors in the industrial world.

The negotiators' mission is to find common ground among nations with increasingly similar economies but often fundamentally different societies China, India, the United States and those in Europe and countries with sharply divergent interests. The tiny Marshall Islands of the South Pacific, for example, are concerned about simple survival if global warming causes sea levels to rise over their shores. Australia, also an island though a massive one, is less concerned about being swamped and more focused on its economic future and its continued use of coal to fire factories and utility plants.

When coal and oil are burned, they give off gases that, like the glass of a greenhouse, trap the Earth's heat in the atmosphere.

Yet some key questions have no clear, undisputed answers. For example: What would be the economic impact of dramatic action to reduce the emissions of carbon dioxide, nitrous oxide, methane and hydrofluorocarbons? And would a more deliberate approach do the trick?

The United States appears the odd man out in preferring the more cautious track. Only Japan is anywhere close to supporting Washington's position. Also complicating the mix is the position of some scientists considered out of the mainstream who say that if global warming is taking place, it may be simply a natural phenomenon that nature will correct, rather than the result of the unchecked use of carbon-based fossil fuels that has accompanied economic development.

The United States has long agreed that global warming is a concern, but some bargaining partners here see a gap between Clinton's strong rhetoric on the issue in a speech at the United Nations in June he said the world had to do more to combat global warming and the specifics of the U.S. proposal.

"I would have expected a more substantive step forward," said a German delegate, speaking on the condition of anonymity.

On Thursday, participants in the U.N.-sponsored negotiations took diplomatically couched shots at Clinton's proposal.

"The offer is a very modest one," said Raoul Estrada-Oyuela of Argentina, the conference's chairman.

GERMANY: "A U.S. That Looks Out Only For Itself"

D. Hetzke commented on national radio Deutschlandfunk of Cologne (10/23): "Indeed, it will be more than poverty of conviction if a country which is the home of just five percent of the global population, but responsible for one quarter of the emission of greenhouse gases, withdraws from its global responsibility. But this step is...no surprise. For weeks, we have known of the pressure from the U.S. industry lobby.... However, politics and the industrial lobby get support for their increasing restraint not only in the United States but also in Europe. The reason is an increasing loss of nerve caused by statements made by climate researchers and self-appointed experts who claim that there is no threat of global warming. But is this really an argument? What would happen if too much of a good thing were agreed upon in Kyoto? One would relieve the burden on the next generations. This would be no bad goal for a global climate conference, even without a United States that only looks out for itself."

Monday, November 3, 1997

BUSINESS

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Business

Published Thursday, October 23, 1997

European Union Disappointed by US Position on Climate Change: Reaction From European Commissioner for the Environment, Ritt Bjerregaard

PRNewswire

WASHINGTON, Oct. 23 /PRNewswire/ -- "I am disappointed with the very weak level of ambition of the US. This is not an adequate response to the global problems of Climate Change" said Ritt Bjerregaard, European Commissioner for the Environment, as a first reaction to the US position on Climate Change.

In a speech yesterday US President Bill Clinton outlined the challenges for the US and the world before the Conference on Climate Change in Kyoto in December. Whilst clearly recognizing the need for action, the US contributions to the further discussions fall well short of expectations. Commissioner Bjerregaard underlines that "the Convention on Climate Change as adopted at the Earth Summit in Rio in 1992 already urges emission stabilization by 2000 at 1990 levels for industrialized countries. The US position to reach this goal by sometime around 2010 is therefore a significant step in the wrong direction. Kyoto is all about legally binding emission objectives and should clearly improve the Convention. Instead the US seeks to weaken it considerably -- even though they are responsible for close to 25% of the global emissions of greenhouse gases."

Commissioner Bjerregaard recalled the resolution adopted by the Union of Concerned Scientists which was presented to President Clinton on September 30, 1997 at a Science Summit on Climate Change. The resolution contains language like: "The threat of global warming is very real and action is needed immediately". "There is only one responsible choice -- to act now." "This is a wake-up call for world leaders." Commissioner Bjerregaard repeated her support for this landmark consensus declaration and urged all Parties to the Convention "to carefully consider and respect this scientific advice on

Convention "to carefully consider and respect this scientific advice on the devastating consequences of human-induced global warming."

She dismissed earlier allegations that the EU position was "unfair" or "overambitious" or "not realistic." She referred in particular to the Communication on Climate Change adopted by the Commission on October 1 which demonstrates "that the EU negotiating position on a 15% reduction of the emissions of three greenhouse gasses is technically feasible and economically manageable." The Commissioner added that "it must be done and it can be done -- provided the political will is there. This goes for the EU. Don't tell me other industrialized countries cannot do the same."

Mrs. Bjerregaard stressed the need to reach a result in Kyoto, but added: "the US now finds itself in a difficult position by having neglected their obligation under the Convention to stabilize greenhouse gas emissions in 2000 by 1990 levels. There is no way the European Union would encourage non- respect of international commitments and there is no way we could reward such action."
SOURCE European Union

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Business

Washington Post 10/23/97

CO_2 Is Not a 'Pollutant'

The "pollutants" referred to in the headline "Japan's Goals on Pollutants Draw Criticism" [front page, Oct. 7] were greenhouse gases. In the story, further reference was made to carbon dioxide (CO_2). Carbon dioxide, like water vapor, is a greenhouse gas, but not a "pollutant."

Webster defines a pollutant as something that is "unclean, dirty or impure." Carbon dioxide is not unclean, dirty or impure. Like water vapor, carbon dioxide is an integral part of nature's basic life cycle. Every breathing creature emits carbon dioxide, which plants then absorb to make oxygen for us to breathe.

In addition to food and medical uses, carbon dioxide has many essential industrial uses, such as reducing pollutants in waste water, as a substitute for toxic and flammable chemicals in dry cleaning and metal cleaning or as a replacement for chemical pesticides in storing farm products and grains. Carbon dioxide has many beneficial uses, none of which fits the definition of pollutant.

CARL T. JOHNSON
Arlington

The writer is president of the Compressed Gas Association Inc.

"DEFINITELY A GLOBAL WARMING"

PREC: RUSH CLASS: INTERNATIONAL DOCID: R0037363

FM: Reuters

a2623
^BC-ENVIRONMENT-CLINTON-FRANCE 1STLD
^FOCUS-France says U.S. plan not green enough
(updates with environment minister statement)

PARIS, Oct 23 (Reuters) - France's Green Environment Minister Dominique Voynet said on Thursday she deplored the ``minimalist and insufficient'' U.S. plan proposed to fight world-wide ``greenhouse gas'' emissions.

The foreign ministry also expressed its disappointment and regret that U.S. President Bill Clinton's proposals for a global climate change treaty to be signed at a 150-nation conference in Kyoto, Japan in December were ``so modest.''

An environment ministry statement said the U.S. proposal to cut carbon dioxide emission levels to their 1990 levels by 2008-2012 represented a step forward for Washington.

``But Environment Minister Dominique Voynet strongly deplores the minimalist and still very insufficient character of the approach taken by the United States,'' it said.

``The climatic changes under way, especially those caused by wasting energy, concern us all. The biggest polluters -- among which the U.S. takes first place with eight percent of the world population and more than 25 percent of polluting emissions -- should lead by example.''

Foreign Ministry spokesman Jacques Rummelhardt said France and its European Union partners wanted industrialised countries to agree to reduce their output of ``greenhouse'' gases to 15 percent below 1990 levels by 2010.

``Stabilising CO2 emission levels at their 1990 level by 2008-2012 is quite short of the European Union's proposals,'' he told reporters.

``We regret that the targets the American government proposes are so modest and, frankly speaking, disappointing,'' he said.

Global warming is thought to be caused by a build-up in the atmosphere of gases such as carbon dioxide emitted from the burning of fossil fuels.

^REUTERS

RB-- 10/23/97 19:24:00

PREC: RUSH CLASS: INTERNATIONAL DOCID: R0037236

FM: Reuters

a2584
^BC-ENVIRONMENT-WORLD-REACTION

^U.S. allies call Clinton climate plan hot air

By Erik Kirschbaum

BONN, Oct 23 (Reuters) - Leading industrial nations said on Thursday they were disappointed by what they described as timid proposals by U.S. President Bill Clinton to cut greenhouse gas emissions.

Many of the United States' closest foreign allies, calling Clinton's proposals to reduce carbon dioxide emissions a lot of hot air, said the long-awaited plans from Washington fell far short of their expectations.

Germany, France, Britain and Japan made little attempt to conceal their dismay behind diplomatic language, bluntly saying Clinton's suggestions were disappointing, short-sighted and insufficient.

Delegates at a U.N.-sponsored conference in Bonn working on an outline treaty to protect the climate expressed their frustration with the lack of leadership from the United States', the world's largest producer of greenhouse gases.

Japanese Prime Minister Ryutaro Hashimoto led a chorus of criticism by saying in Tokyo that Clinton should have taken a bolder step.

``It is commendable that U.S. President Bill Clinton has decided to spell out a U.S. proposal ahead of the Bonn preparatory meeting for the international conference on global warming in Kyoto in December,'' he said.

``However, I think that there might have been room for further efforts.''

European Union Environment Commissioner Ritt Bjerregaard said Clinton had failed to tackle the issue. ``This is not an adequate response to the global problems of climate change,'' Bjerregaard said.

Britain's Deputy Prime Minister John Prescott said Clinton's call for a global agreement cutting carbon dioxide and other greenhouse gases to 1990 levels within the next 10 to 14 years did not go far enough.

``What we say is, 'you can be much more ambitious','' Prescott said in London. ``This is a global question and therefore the whole community has to act collectively.''

Clinton unveiled a plan on Wednesday to stabilise the emission of greenhouse gases at 1990 levels by 2008-2012 and then reduce them. He said a commitment made at a climate conference in Rio de Janeiro five years ago to return to that level by 2000 would fail.

Clinton's proposals lagged behind the European Union's call for developed nations to reduce their greenhouse gas emissions to 15 percent below 1990 levels by 2010.

Germany's Environmental Minister Angela Merkel said Bonn, a close U.S. ally, would try to persuade Washington to agree to a more ambitious target at the conference in Japan.

``It is a useful step to see that the world's largest producer of greenhouse gas emissions has now finally put its negotiating position on the table," she said. ``But the content of the U.S. suggestions is disappointing and insufficient."

Japan, host of the December 1-10 climate conference in Kyoto, wants an agreement for developed nations to cut emissions of the gases by five percent from 1990 levels between 2008 and 2012.

``These goals for the industrial nations do not go far enough when it comes to protecting the environment," Merkel said. ``Scientific findings clearly demonstrate urgent and immediate steps are needed to reduce the greenhouse gases."

France, which has tangled with the United States over a variety of issues, expressed regret and disappointment that Clinton's proposals were ``so modest."

An official statement said Environment Minister Dominique Voynet ``strongly deplores the minimalist and still very insufficient character of the approach taken by the United States."

Global warming is thought to be caused by a build-up in the atmosphere of gases such as carbon dioxide emitted from the burning of fossil fuels.

Scientists say the buildup will alter the climate, cause more severe storms, droughts and floods and raise sea levels by melting part of the ice caps.

The United States, with four percent of the world's population, produces 25 percent of its greenhouse gases.

Clinton's proposal was also savaged by a broad spectrum of U.S. critics ranging from environmentalists to farmers and carmakers.

Australia, the world's largest coal exporter, stood out as a rare supporter of Clinton, saying it welcomed his proposals but said it could not adopt them because they would cause job losses.

REUTERS

RB-- 10/23/97 19:06:00

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^BC-ENVIRONMENT-CLIMATE-TALKS 3RDLD
^FOCUS-Climate negotiators vexed by Clinton stand
(Adds comment from White House experts)
By Terence Gallagher

BONN, Oct 23 (Reuters) - United Nations negotiators said on Thursday they were disappointed with the latest U.S. proposals for tackling global warming because too little was pledged to avert a potential climate disaster.

The officials at a U.N.-sponsored global warming conference in Bonn, who began working on the details of forging a compromise before a final meeting in December in Kyoto, Japan, also said the United States was failing to live up to past commitments.

A team of White House officials were brought in to Bonn to face down the chilly response and convince sceptical delegates that President Bill Clinton's plan would be the best basis for a climate agreement.

Clinton set out in a speech in Washington on Wednesday the U.S. intention to reduce its output of greenhouse gases to 1990 levels by 2008 to 2012, tacitly admitting it would fail to do so by 2000 as agreed earlier.

Clinton's speech was the final piece in the puzzle. Now, all the plans of the major industrialised nations are on the table. But none of the negotiators here from more than 150 countries believe Clinton's offer was the last word on the subject.

A European Union call for 15 percent reductions by 2010, has been backed by a large group of Third World countries, which joined in the sharp criticism of the U.S. plan.

Bakary Kante, a delegate from Senegal, told Reuters: ``The African group is disappointed (with Clinton's stand). We were expecting something more.''

While it was too early to say where the centre of gravity might be in the negotiations, ``it is close to the Japanese position,'' which calls for five percent cuts, Kante said. But that would be a disappointment to developing countries.

Raul Estrada-Oyuela, an Argentine diplomat who is chairman of the current treaty negotiations, said he was baffled by the U.S. plan, and that he has long been disappointed by the U.S. track record on containing greenhouse gases.

The U.S. offer ``is a very modest one,'' Estrada told reporters. ``I don't understand all negotiating techniques, but when a head of state makes a statement like that it seems very little flexibility remains,'' he said.

German Environment Minister Angela Merkel said Germany would try to persuade Washington to a more ambitious target.

``It is a useful step to see that the world's largest producer of greenhouse gas emissions has now finally put its negotiating position on the table,'' she said. ``But the content of the U.S. suggestions is disappointing and insufficient."

David Sandolow, the U.S. National Security Council's director for environmental affairs, said he was aware of the widespread criticism, but said it would be counter-productive to set more ambitious targets that were unattainable.

``President Clinton wants an agreement on the basis of the U.S. proposal," David Sandalow told reporters. ``The criticism is something we can overcome and work together as the basis for an agreement."

Environmentalists say anything less than 15 percent cuts would be a recipe for disaster, and that Clinton has raised the stakes in the game.

Now only pressure from other heads of state such as German Chancellor Helmut Kohl or British Prime Minister Tony Blair will bring the U.S. closer to the EU line, said Bill Hare, the climate policy director of the environmental lobby group Greenpeace.

The current round of working talks in Bonn is likely to end on October 31 without a clear resolution of the legally binding targets developed countries are expected to agree in Kyoto.

Even in Kyoto, the negotiations are likely to go down to the deadline, with the final agreement negotiated by ministers personally.

Most delegates to the conference appeared to see Clinton's stand as a bargaining position, aimed at pulling an eventual compromise in the direction it could sell to a domestic business community that says action on climate change will be costly and misguided.

Mark Hambley, the chief U.S. negotiator at the climate talks, conceded there may still be some room to manoeuvre.

``We are just beginning the serious finale of this negotiation," he said. ``It is not productive for us to speculate about outcomes when we all hope there will be a successful outcome in Kyoto."

^REUTERS

RB-- 10/23/97 17:15:00

REVIEW & OUTLOOK

By Faith Alone

Halloween is approaching, and unless we miss our guess, the apparition now floating into view is the great global-warming pumpkin, looming up out of the policy patch.

We've been reading for some time now about how torn Bill Clinton has been over choosing up sides between his administration's carbon-dioxide/polar icecap hard-liners on one side and economists counseling caution on the other. So yesterday Mr. Clinton donned his Charlie Brown mask and announced a proposal on global warming that was intended to be likable, but probably will make him few real friends.

Environmentalists of the Greenpeace variety will squawk that the 2010 deadline is too slow, while oil, gas and manufacturing interests will dump on the "binding" reductions. In any event, Mr. Clinton finally has himself an official U.S. "position" for the December negotiations in Kyoto to shape a global-warming treaty.

Now we realize that a great deal of serious mental energy has been devoted to this subject. Some of the great hotel bills of our time have been run up by climate scientists and policy types gathered at various venues around the globe to debate the accuracy of computers crunching the global-warming data inputs. We welcome such debates. This one no doubt is teaching everyone a lot about massive computing strategies.

But given various experiences we've had in the Clinton pumpkin patch the past five years, we're inclined to look past the usual who's right and who's wrong of this arcane subject to try to get a better idea of just how a public-policy problem said to be 100 years in the future became so prominent now.

Insofar as most of us will be in the hereafter by the time northern Michigan turns into the Mojave Desert, our thoughts turned first to religion. Environmentalism likes to think of itself as a movement grounded in various scientific disciplines, such as ecology, but it is fundamentally rooted in the religious impulse. Save the earth, save the whales, save the rain forests. Daily life being the time-consuming thing it's become—ferrying kids to soccer games, tracking the family mutual funds, holding a job—it might otherwise be tough getting too many people whipped up over, say, carbon dioxide levels in the upper atmosphere. But if the issue is presented as, say, doom, then global warming becomes something that just might re-energize the environmental movement.

Environmentalists of course resent this characterization, but they're the ones always saying we "can't wait" for scientists to reach a consensus on endangered species one day and greenhouse gas emissions the next. Anytime we hear someone saying we "can't wait" for the public-policy process to slog forward, it's safe to assume we've left the realm of mere politics for the higher reaches of a new religion.

At the same time, the politicians will always be with us. Nothing particularly spiritual about their needs, so how to explain that a whopping 150 countries' politicos will show up in Kyoto, Japan, to cut a deal on global warming. This one's pretty easy. Global warming is a new revenue base. It's something to tax.

Whatever the state of the polar ice caps, the one thing that truly does seem to be melting in our time is the global electorate's enthusiasm for politicians' tax-driven public crusades, most of which don't work very well anymore. So with voters increasingly resistant to higher levels of direct taxation, the politicians have begun looking for techniques to get the money in roundabout ways, such as taxing industrial activity branded as evil. Global warming, you may have read, is evil. One way or another, you will pay to clean it up.

Crude impositions won't fly, so yesterday Bill Clinton showed his global confreres how a sophisticated politician does it. The president proposed a $5 billion set of tax breaks and credits for companies investing in greenhouse gas remission. Even so, any such effort will net out as higher production costs, which will be passed on. And for relatively smaller concerns unable to access the tax credits by throwing capital at whatever technologies the regulators approve, this is a tax increase.

Long ago, in 1993 to be exact, life was so much simpler. That was when Bill Clinton, citing similar environmental goals, proposed a BTU tax on energy use. The public understood the BTU tax. It crashed and burned. Now the very same environmentalists and politicians are back with global warming, something no one fully understands. The betting seems to be that if people won't pay taxes for what they know, maybe they'll do it on faith alone.

THE WALL STREET JOURNAL THURSDAY, OCTOBER 23, 1997

FINANCIAL TIMES, OCTOBER 23, 1997 Pg. 16

US move over greenhouse gases comes under attack

By Bruce Clark in Washington

President Bill Clinton called yesterday for a reduction in the emissions of greenhouse gases, produced mainly by fossil fuel burning, to 1990 levels over the next 15 years.

The proposal, which will define Washington's position in forthcoming negotiations on climate change, was described as excessive by US industrialists, while the European Union called it too modest.

Mr Clinton, caught between domestic lobby groups and his own belief that climate change presents a deadly threat to the planet, said countries should be allowed to meet the stabilisation target between 2008 and 2012. He also announced a wide-ranging list of incentives to US industry to reduce reliance on coal and oil through energy efficiency and greater use of renewable sources of power.

The proposal is much more cautious than the EU's call for the output of greenhouse gases to fall 15 per cent below 1990 levels by 2010. It also falls well short of the president's own suggestion four years ago that emissions might be stabilised by the end of the century.

Mike McCurry, the White House spokesman, said Mr Clinton had not anticipated, when he made his initial statement, how fast US industrial output would grow. Any attempt to stabilise emissions by 2000 "would most likely wreck the world economy", he added.

The US Senate Energy committee immediately made clear that there would be no question of ratifying an accord on climate change, which may emerge from the forthcoming UN conference in Kyoto, Japan, unless developing countries also made firm pledges to limit their emissions.

"American consumers and workers will pay dearly for the [president's] proposal," said an official familiar with the panel's thinking, who added that Mr Clinton's plan might require a carbon consumption tax of up to $50 per ton. The Senate has opposed even a modest carbon tax.

Dale Heydlauff, a vice-president of American Electric Power, said stabilising emissions by 2010 could cost the sector up to $9bn. Utilities had urged the administration to allow existing coal-burning plants to run their lifespan before they are retired.

In Brussels Ritt Bjerregaard, EU environment commissioner, said she was disappointed with the "very weak level" of US ambition. "This is not an adequate response to the global problems of climate change." The EU feels the US is reneging on commitments made at the earth summit in Rio de Janeiro in 1992 when it agreed with other nations to stabilise emissions at 1990 levels by 2000.

Additional reporting by Michael Smith in Brussels

USA TODAY · THURSDAY, OCTOBER 23, 1997

Emissions plan under fire

Clinton global warming proposal pleases no one

By Traci Watson
USA TODAY

A1

WASHINGTON — Environmentalists, members of Congress, business groups and even some U.S. allies rushed Wednesday to attack President Clinton's plan to combat global warming almost as soon as it was announced.

▶ Environmentalists said the plan doesn't do enough to lower production of greenhouse gases, the pollutants that many scientists think hasten global warming by trapping heat in the atmosphere.

"The plan ... fails to protect our children," said Carl Pope, president of the Sierra Club.

▶ Industry leaders said the economy would be disrupted.

"It's a flawed plan and it won't work," said William O'Keefe, chairman of the Global Climate Coalition, an industry lobbying group. He said the plan would lead to an energy tax, driving up fuel prices.

▶ Legislators complained developing nations wouldn't be required to cut pollutants.

"If (the president) brings this treaty to the Senate, it'll be very embarrassing for him and his administration," said Sen. Charles Hagel, R-Neb. The Senate must ratify any agreement.

Clinton would limit emissions of greenhouse gases by 2010 to the same level as 1990, or 3.3 billion tons a year.

The current total emissions by industrialized nations is 3.5 billion tons per year. Most of that is carbon dioxide created when fossil fuels are burned.

By contrast, the European nations are fighting for a target of 2.8 billion tons of greenhouse gases a year by 2010; Japan has proposed a target of 3.1 billion tons a year by 2010.

Hugo Paemen, ambassador to the USA for the European Union, said it would be difficult to reconcile the U.S. and European proposals before December when final treaty talks begin in Kyoto, Japan. Talks already are under way in Germany to draft that agreement.

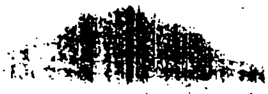
Clinton's plan also calls for spending $5 billion over 5 years on energy-efficient technology and renewable energy sources such as solar power.

The plan promises incentives for companies that cut emissions before 2008 and allows sales of pollution credits by companies below emission limits to firms unable to meet the standards.

Some groups, such as the Environmental Defense Fund, praised the plan as a good starting point. And Jerry Mahlman, a climate expert at Princeton University said the president's plan, if adopted by the entire world, would prevent the most dire climate scenarios.

International News
Thursday 23 October 1997

Electronic Telegraph
Issue 882



Clinton reneges on pledge over global warming

By Charles Clover, Environment Editor, and Hugh Davies in Washington

External Links

« Earth Summit Watch

« Climate Crisis - Greenpeace

« The Climate Action Network Newsletter

« Global Change - Environment WebDirectory

« United Nations Environment Programme

« European Environment Agency

PRESIDENT Clinton was last night expected to offer the world significantly less by way of measures to reduce global warming than George Bush signed up to at the Rio Earth Summit in 1992.

In a speech to the National Geographical Society, he was due to call for industrial nations to reduce their emissions of greenhouse gases to 1990 levels over five years starting in 2008, and to reduce them by five per cent by 2017.

America, responsible for a quarter of the world's emissions of carbon dioxide, the principal gas blamed for climate change, is flying in the face of European goals that would reduce emissions to 15 per cent below 1990 levels by 2010, while Japan wants a five per cent cut by 2012.

Mr Clinton's plan - thought to rely on a gradual reduction in fossil fuel emissions through more efficient technologies and not through taxes on fuel - will be seen in Europe as the death of a promise made by Mr Bush in Rio in 1992 to stabilise carbon dioxide emissions at 1990 levels by 2000.

That promise, reaffirmed by Mr Clinton when he came to office, was the starting point of an agreement to go further, known as the Berlin mandate, which America, in the person of Tim Wirth, under-secretary of state for global affairs, signed in 1995.

The Berlin mandate committed the developing world to agree "reductions" in fossil fuel emissions from the year 2000 at the climate talks in Kyoto, Japan, this December.

The White House said that Mr Clinton had spoken to Mr Blair as well as to the leaders of Japan, Canada and Germany about his plan, which would be the basis of the US negotiating position at talks in Bonn this week.

The aim of these talks is to narrow differences before the Kyoto meeting, at which nearly 170 nations will attempt to agree on specific measures to slow the heating of the planet.

The goals being proposed by Mr Clinton are seen as significant by the White House because such carbon dioxide emissions, if allowed to rise at current rates, would be up by as much as 13 per cent in the next decade in America. This week, the US Energy Department reported a rise in the past year of 3.4 per cent. Since 1990, emissions have risen by eight per cent.

In addition to his modest new target, Mr Clinton is offering about $5 billion in tax breaks and business credits towards converting American coal-fired utility plants to natural gas and towards the use of solar and wind power.

Before the speech, Mr Clinton said Americans could not "hide our heads in the sand". He said: "No one knows when something bad will happen, or exactly what it will be, but the overwhelming consensus of scientists is that we must reduce our greenhouse gases. I am prepared to see the US take the lead. But I am not a pessimist. Every action the US has taken since 1970 to clean up our environment has led to more jobs and a diversifying economy."

There was an angry reaction to Mr Clinton's proposals in Britain and around Europe. John Gummer, the former Environment Secretary, said that, under the plan, the world's largest polluter would not have to do anything about its gas-guzzling cars or air conditioning systems until after Vice-President Al Gore's second term as president, assuming he succeeds Mr Clinton.

"This isn't anything like enough," Mr Gummer said. "The United States is offering less than any developed country other than Australia, which has stuck its head in the sand and pretended that global warming isn't happening.

"Why it is so difficult for the United States at the moment is that they didn't do it when they said they'd do it. The problem is that the more you put if off the more difficult it becomes; and who is going to believe the United States can do it this time?

"Vice-President Gore had said in his book Earth in the Balance that to ignore global warming now would be the moral equivalent of ignoring Kristallnacht in 1938. You cannot be tougher than that. Yet Clinton and Gore have presided over a rise in emissions year on year."

Mr Gummer said developing countries such as Bangladesh, which used 120 times less energy per head of the population than America, would be "very disappointed" and find it harder than ever to convince its people to do anything about global warming in the face of poverty.

It was unclear, he said, whether the Clinton proposals included tradeable emission quotas - under which America could effectively do nothing simply by buying up Russia's reductions in carbon emissions since 1990, made because of the collapse of its industries.

The European Commission also criticised the new US proposals for reducing greenhouse gas emissions. "This doesn't seem to be extremely ambitious," said Peter Joergensen, environment spokesman for the European Commission. "Something much more substantial will need to come out of the White House if the United States is to face up to its global responsibilities."

Greenpeace said the US proposals would be "disastrous" for the planet if they formed the basis of an agreement in Kyoto.

<u>8 October 1997: US split on tackling global warming</u>

The Washington Post

OCT 2 2 1997

Circ: 852,262

[illegible]aig Bond Hatfield

The Oil We Won't Have A21

Computer models that are used to support the theory of global warming—the ones that show a doubling of pre-industrial atmospheric carbon dioxide by 2050—require the assumption that the rate of fuel-burning will continue to grow. But the total amount of economically exploitable fossil fuels is not likely to be great enough to permit such growth. This means that warnings of global warming as well as warnings of economic penalties associated with voluntary cuts in energy use are transcended by a limitation of nature.

During the past 25 years, oil companies and petroleum geologists have published several estimates of the total amount of oil that will have been produced globally over the entire history of the petroleum industry by the time the economically producible resource is exhausted. These estimates have fairly consistently ranged from 1,800 billion to 2,400 billion barrels. That is the total of all oil that has ever been consumed plus all oil discovered but not yet consumed as well as all economically producible oil yet to be discovered.

[illegible]orld has consumed 800 billion barrels of [illegible]e amount of economically producible oil discovered but not yet consumed is 700 billion or 1,000 billion barrels, depending on whether a 1988-1990 increase of 300 billion barrels reported by OPEC countries is real or political. The amount of producible oil yet to be discovered is 600 billion barrels via the most optimistic estimate, which is unrealistically high according to most petroleum analysts; many estimates are about half that amount.

In the history of any oil-producing region, the production rate can grow until approximately half of the producible resource has been consumed. After that, the production rate gradually declines until the resource is exhausted. The same will be true for the world as a whole. If we use the most optimistic estimate of 2,400 billion barrels of ultimate oil recovery, 800 billion barrels of which already has been consumed, we can consume another 400 billion barrels before the world oil production rate peaks and begins its permanent decline. The global oil consumption rate has grown nearly every year since the early 1980s, has increased by more than 20 percent since 1983 and for 1996 was more than 26 billion barrels. The oil consumption rate is likely to continue to increase as economic growth accelerates in underdeveloped parts of the world.

Clearly, the world oil production rate cannot grow indefinitely and is likely to begin its permanent decline before 2010, which means that limited resources of producible oil will override international agreements concerning future rates of fuel burning.

The last century of unprecedented economic growth has been based largely on increasing availability of inexpensive petroleum. If our concern is with the deleterious economic effects of a decrease in fuel consumption rates, we should be working hard to develop economically feasible sources of energy adequate to compensate for the coming decline in conventional petroleum production. Such development requires time and huge capital investment. Time is the more severe restriction.

If, on the other hand, our concern is with the deleterious environmental effects of a continued increase in fuel consumption rates, we need do nothing. Fuel consumption rates will begin to decline within 15 years, with attendant economic contraction, unless we quickly develop large-volume, economically feasible substitutes for petroleum.

The writer is a professor of geology at the University of Toledo.

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

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The New York Times

Circ: 1,767,836

OCT 2 6 1997

Wasted Energy

Fuel Efficiency Falls, Just as Mc Is Neede

By JOHN H. CUSHMAN Jr. WE3

WASHINGTON

WHEN people are rich and fuel is cheap, when the weather is cold and the economy is hot, the United States can hardly resist indulging its appetite for energy.

That was the situation in 1996, when Americans tanked up even more extravagantly than usual. Total energy use grew 3.2 percent, according to the Energy Department, outpacing the nation's economic growth rate of 2.4 percent.

Last year was the first tick upward in five years, a deviation from a long downward trend in energy consumed per dollar of economic production. But while the Energy Department expects improvement in energy efficiency to resume and to prevail for 15 more years or so, the rate of improvement seems to be flattening — just as nations concerned about global climate changes are pressuring the United States to reduce emissions of carbon dioxide, the greenhouse gas produced by burning fossil fuels.

Last week President Clinton proposed a new plan for reducing emissions by offering American businesses incentives to cut them, siding with technological optimists who say Yankee ingenuity can meet the challenge — perhaps with a subsidy.

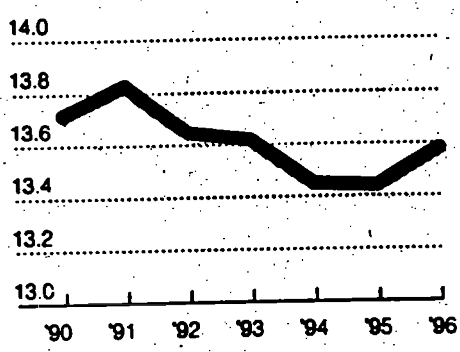
But others say that to keep the growing American economy from pumping out more carbon dioxide, different incentives are needed. Economic behaviorists say a painful one may be required: higher energy prices. Economic regulators want tighter standards for manufacturers to produce more efficient cars and appliances.

The optimists say there are few technical barriers to further gains in efficiency. "The trends are historical, and they don't reflect what the real possibilities are," said Stephen J. DeCanio, an economics professor at the University of California at Santa Barbara who was senior staff economist at the Council of Economic Advisers under President Reagan. But, he noted, when he and his wife shopped for new lamps, they couldn't find attractive models that took energy-efficient fluorescent bulbs.

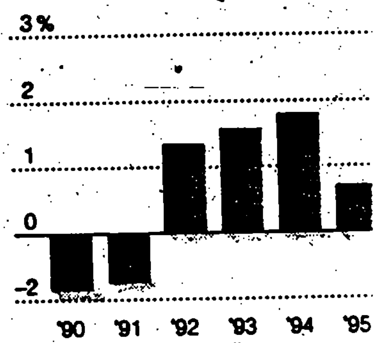
Greenhouse Gas Gauge

1996 was a boom year for energy use in the United States, as the nation rever: five-year decline in consumption and pumped out far more greenhouse gases

Thousands of B.T.U.'s consumed per dollar of 1992 Gross Domestic Product.



Percentage change from previous in emissions of carbon dioxide, methane, nitrous oxide and other (



Source: Energy Information Administration

Doing Good by Doing Better

"Today, two-thirds of the energy used to provide electricity is squandered in waste heat," Mr. Clinton said as he proposed to reduce emissions to the 1990 level over the next 10 to 15 years. "We can do much, much better."

Mr. Clinton's plan relies heavily on narrowly targeted incentives and subsidies for efficiency, and environmentalists and other nations' negotiators in talks on a new greenhouse-gas treaty said it did too little too late.

Indeed, the United States, which has 5 percent of the world's population but emits nearly a quarter of its carbon dioxide, is turning in an embarrassing performance as it falls short of earlier goals to cut emissions to 1990 levels by the year 2000.

But was 1996's increase a blip on a graph, or a warning of a big problem ahead? Why did the economy suddenly become less efficient in its use of energy?

The most obvious factor was the extremely cold winter weather, a statistical oddity that made people burn more fuel to heat homes and offices.

Another way to burn more fuel these days is by driving big gas-guzzling vans, trucks and sport utility vehicles, some of which get half the gas mileage of the average sedan.

The nation's fleet of vehicles is efficient, and transportation is overtake industry as the main energy, but the changes would n ed to show up as sudden spikes

Another trend is the decline electric utilities to persuade the to use less power. That practice while because power companies ings were regulated, were allo money by spending on conserv of building new power plants. Bu ulation on the horizon, that str less sense to them these days.

For most people, saving makes financial sense, whethe are concerned about the prob warming over the next centur Clinton gave the example of class in Iowa that took out a $14 and installed conservation m lopped 70 percent off its school'

"The savings were so impre bank decided to upgrade its efficiency," he said.

The next day, before a diffe Mr. Clinton wondered aloud, everybody do it? Why don't w critical mass of companies do

Most experts say the answer

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The New York Times

Circ: 1,767,836

OCT 2 6 1997

Incentives to conserve energy have declined along with its cost.

fuel. "Gasoline is the cheapest liquid you can get next to water, and it's much cheaper than bottled water," said Llewellyn King, who has been publisher of The Energy Daily since the glory days of the oil cartel in the 70's, when prices rocketed and Americans went on a conservation spree.

Lindsay Audin, who founded a consulting firm, Energywiz Inc., after retiring as Columbia University's energy-efficiency manager last year, said, "Consumers do not have the financial ability to pay the upfront costs, or the financial understanding that investments in efficiency make money. Companies do not understand that energy efficiency is not a cost center, it is a profit center."

Understanding Economics

Only when energy prices go up is that sure to change, he said.

"Price matters," said Dan Becker, climate policy director for the Sierra Club, which has long called for stricter fuel-efficiency standards for vehicles.

"But Americans don't do great with amortization of costs. So it has got to be something that we know works. And the only thing we can think of that we know works is requiring that energy-saving technology be put on the things we drive, the things we use to heat our homes, the things we use to cool our food. We know that works."

Greenwire
10/24/97

1 CLIMATE CHANGE: Major Allies Assail Clinton Plan

Pres. Clinton's plan to combat global warming "has drawn reactions ranging from disappointment to disdain among the representatives of more than 150 nations" now gathered in Bonn, Germany, for talks on an international climate-change treaty.

The US is "increasingly finding itself playing the naysayer while a diverse collection of nations says it is ready to take tougher action" on the issue (James Gerstenzang, *Los Angeles Times*).

Clinton on 10/22 proposed that developed countries be required to stabilize their greenhouse gas emissions at 1990 levels between 2008 and 2012. The European Union has proposed a 15% cut from 1990 levels by 2010, while Japan is pushing for a 5% cut by 2012. China and the "Group of 77" developing countries have proposed that developed countries cut their emissions 7.5% below 1990 levels by 2005, 15% by 2010 and 35% by 2020 (*Greenwire*, 10/23).

Unprecedented Criticism

In the past, the US has "applied the brakes" on fighting other international environmental problems, such as ozone-layer depletion and loss of biodiversity, but none of the previous debates "attracted ... the international attention devoted to global warming" (Gerstenzang, *Los Angeles Times*).

Nearly all of the US's major "major allies" in Europe and Asia criticized Clinton's plan (William Drozdiak, *Washington Post*). Jean-Jacques Becker of the French delegation: "We knew the United States was not really pushing on this issue. But we hoped that at the last moment something encouraging might come out" (Gerstenzang, *Los Angeles Times*). Japanese Prime Minister Ryutaro Hashimoto "lamented" that "there might have been room for further efforts."

Foreign leaders say the US proposal is especially weak given that the US produces 25% of the world's greenhouse gas emissions with only 4% of its population. Other countries already tax gasoline -- a major source of emissions when burned -- to the point where it costs about four times more abroad than in the US. "The global warming controversy has convinced many foreigners that Americans are not just wasteful gas guzzlers but a menace to the planet" (Drozdiak, *Washington Post*)

Australia yesterday "stood out" for opposing the US proposal as too tough (Willis Witter, *Washington Times*).

On The Defensive

For its part, the US argues that its proposal is more realistic than others. The head of the US delegation in Bonn, Mark Hambley, yesterday "insisted" that the proposal is "an advance, not a retreat" from Clinton's pledge in 1993 to voluntarily reduce emissions to 1990s levels by 2000 (Ruth Walker, *Christian Science Monitor*). David Sanolow, another delegation member: "The criticism is something we can overcome" (Reuters/*Baltimore Sun*).

The US argues that the EU proposal isn't achievable and is unfair because it treats the 15-nation bloc as a whole and therefore allows some EU countries to avoid any reductions at all (Drozdiak, *Washington Post*).

Other Topics On The Table

Aside from negotiating deadlines for legally binding emissions reductions, delegates in Bonn are also discussing what greenhouse gases should be covered under a climate-change treaty, how to amend the treaty to reflect new research in the future, and whether it should call for international coordination on policies such as energy taxes to reduce emissions. The Bonn talks are the final ones before a 12/97 meeting in Kyoto, Japan, where it is hoped a treaty can be finalized (Tony Czuczka, AP/mult.).

More Coverage Of Emissions Trading

The *New York Times* today includes a lengthy article on emissions trading and joint implementation of climate-change targets by countries as ways to achieve emissions reductions. The article features a pilot project involving OH-based American Electric

Power, OR-based PacifiCorp and British Petroleum, in which the companies are preserving five million acres of Bolivian forests from logging. "The estimated cost of sequestering a ton of carbon this way is just 37 cents, less than 1% of the cost of many emissions-reducing industrial projects contemplated for Europe and North America" (Peter Passell, *New York Times*). (All cites 10/24.) (Back to Contents)

2 CLIMATE CHANGE II: How's It Playing?

Editorial writers have been quick to react to Pres. Clinton's proposed plan to curb greenhouse gas emissions (*Greenwire*, 10/23). Opinion pieces by two prominent Washington, DC, figures also ran in newspapers today.

A ***Financial Times*** editorial says Pres. Clinton's proposal to combat global warming "is probably the best that could have been expected," though many have "condemned it" as "profoundly disappointing" (10/24).

USA Today editorial on Pres. Clinton's proposal to combat global warming: "The plan is painfully modest" (10/24).

Washington Post editorial on the proposal: "[T]his is only the beginning. But insofar as it represents a serious commitment to deal with climate change, it's an important step." (10/24).

Interior Secretary **Bruce Babbitt**, in a *Los Angeles Times* op-ed, writes about a late-summer hike around a glacier that has receded significantly in the last 100 years, perhaps because of emissions increases. He argues that the world must act now to curb emissions (10/24).

Senate Majority Leader **Trent Lott** (R-MS), in a *Washington Times* op-ed, objects to the Clinton plan as too drastic. He warns that even if Clinton won't, the Senate will "walk away" from any international climate-change treaty that constrains the US more than developing countries or that threatens the US's sovereignty or economic prosperity (10/24).

The New York Times
FRIDAY, OCTOBER 24, 1997

Trading on the Pollution Exchange

Global Warming Plan Would Make Emissions a Commodity

By PETER PASSELL

If President Clinton has his way, rights to spew carbon dioxide into the atmosphere will eventually be traded by energy producers, utilities and even investors on exchanges the way pork bellies, German marks and interest rate futures change hands today.

While the Administration's plan for curtailing greenhouse gases — announced Wednesday in preparation for the world climate change talks in Kyoto, Japan, in December — demands no immediate action by businesses, it confirms that a system of tradable emissions permits will figure prominently in any long-term effort to control pollutants. Such a system, already being used under the Clean Air Act of 1990 to cut sulfur emissions, would allow companies that voluntarily reduce emissions below a certain level to sell the difference to others as unused "rights" to pollute.

The reliance on free markets in reducing carbon emissions to 1990 levels has been greeted with enthusiasm by specialists who have long argued that managing the task with traditional regulation would be hugely wasteful.

"An approach that promises to reduce the cost of containment by 90 percent is certainly worth a try," said Richard Richels of the Electric Power Research Institute in California.

But many economists caution that emissions trading is no panacea. They emphasize the desirability of bringing developing countries into the trading systems as soon as possible and the need for care in designing the control mechanisms that will redirect billions or even trillions of dollars in pollution-control investments worldwide.

"At this point, the learning is more important than the doing," suggested Robert Hahn of the American Enterprise Institute, a research group in Washington.

The Administration's plan has been criticized by many foreign governments that will also attend the Kyoto conference, where the participants will try to work out a global climate treaty. The critics say the American plan is not aggressive enough because it would not roll back emissions to 1990 levels until sometime between 2008 and 2012. Whatever happens in Kyoto, Mr. Clinton seems committed to emissions trading.

It is no secret why: It costs less and keeps Big Brother in the background.

To date, the most ambitious use of tradable permits has been in containing the sulfur emissions from power plants that contribute to acid rain. Under the Clean Air Act, total sulfur emissions were capped by giving electric utilities rights to emit sulfur roughly in proportion to their lower, 1980 emissions levels. Companies that reduce emissions below their allowance by closing plants, switching fuels or attaching chemical scrubbers to their smokestacks are free to sell their surplus pollution

Continued on Page 4

Continued From First Business Page

rights, while others are free to exceed their limits by buying those rights.

The market for sulfur emissions has flourished as utilities with low-cost sources of clean fuel have found it profitable to operate within the Government standards and sell part of their allotments to pollute. Last year, the market price of sulfur allowances averaged just more than $100 a ton.

"Emissions have been reduced at a cost far lower than the most optimistic forecasts," said Richard Sandor, the chief executive of Centre Financial Products and vice chairman of the Chicago Board of Trade.

Some economists are confident that similar serendipities await a trading system for carbon dioxide and perhaps other greenhouse gases. Global warming occurs when such gases accumulate in the atmosphere, trapping heat.

"Since none of the effect is localized, carbon is a perfect pollutant for emissions trading," argued Dan Dudek, an economist at the Environmental Defense Fund who was instrumental in pushing through the sulfur program in 1990.

But many a slip is possible between cup and lip. For one thing, the scale would be much larger. A few hundred utilities with a few thousand power plants emit most of the sulfur, regulated under the Clean Air Act. Carbon dioxide, however, comes not only from power plants but also from hundreds of millions of boilers and vehicles, which could not possibly be monitored like electric utilities.

That suggests the need for a different approach, says Robert Stavins, an economist at Harvard University's Kennedy School of Government. He suggests that producers of coal, oil and natural gas be required to obtain emissions permits equal to the carbon content of their products rather than putting the burden on fuel consumers.

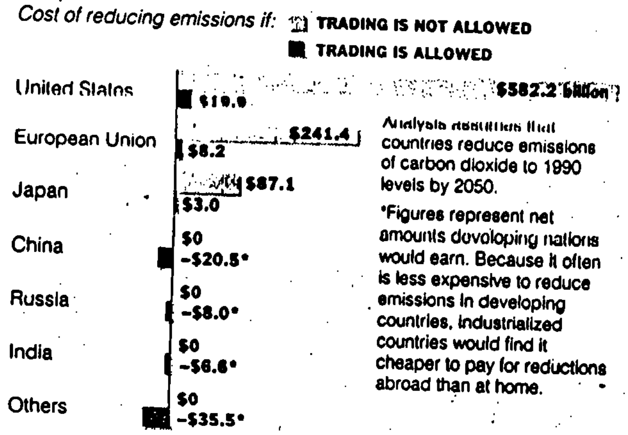
Limits on volumes that could be sold would raise the competitive price of all carbon fuels. But because coal emits more carbon dioxide for every unit of heat than natural gas, the price of coal would rise far more than the price of gas. That would give utilities an incentive to abandon coal.

Under the sulfur trading system, electric utilities receive roughly $1 billion (at current trading prices) worth of permits free each year — a large but not overwhelming benefit to a $100 billion industry. And because utilities are regulated by the states, virtually all of the saving is passed on to rate payers. By contrast, if fossil-fuel producers received free carbon permits, there is no reason to think that the windfall, which could measure in the tens of billions of dollars annually, would go to consumers.

The Government would, in theory, have the option of auctioning carbon emissions permits rather than giving them away. But the political battle over limiting emissions is likely to be fierce: reducing carbon output to

Benefit of Trading Pollution Rights

A study by William Nordhaus, an economics professor at Yale University, suggests that allowing companies and countries to buy and sell the right to emit heat-trapping gases could significantly curtail the cost of reducing overall emissions.



The New York Times

1990 levels, for example, would almost certainly require phasing out coal as a boiler fuel within a few decades. Thus, while economists see merit in auctioning permits and using the proceeds to cut other taxes, coal producers and their unions would most likely work aggressively to block legislation that did not give them a big piece of the action.

The potential gains from international trading of carbon emissions permits are even greater than from domestic trading. While the industrialized world has a multitrillion-dollar investment in boilers and engines that would have to be scrapped rapidly to reach 1990 emissions levels, the third world has opportunities galore for easy carbon conservation.

No panacea, but a cheaper way to control greenhouse gases.

Buildings have not been insulated; industrial boilers have not been retrofitted with efficient combustion systems. Most important, rapidly growing economies — notably China — have yet to sink huge sums in modern coal-fired boilers or fuel-hogging vehicles.

Opportunities to weaken the link between economic growth and carbon emissions are complemented by opportunities to preserve natural carbon "sinks" — vast inventories of carbon stored in trees. Two big utilities, American Electric Power and Pacificorp, along with British Petroleum, are experimenting with a program to spare five million acres of forest in Bolivia from logging in what amounts to an act of philanthropy. The estimated cost of sequestering a ton of carbon this way is just 37 cents, less than 1 percent of the cost of many emissions-reducing industrial projects contemplated for Europe and North America.

The intuition that the greatest opportunities are in poor countries is borne out by computer simulations. William Nordhaus of Yale University estimates that the cost of meeting the developed world's commitment to getting back to 1990 emissions levels would be cut by at least 85 percent if the containment largely consisted of paying developing countries to adopt a carbon-lean growth strategy.

A strategy that used international trading to focus on containing carbon emissions in developing countries would also pay local dividends, such as reducing urban pollution. "Increasing fuel efficiency and switching to natural gas would incidentally mean lower levels of smog, which now threatens health in virtually all the big cities," notes Mr. Dudek of the Environmental Defense Fund.

Unfortunately, the difficulties in creating and enforcing a trading system that crosses borders are formidable, beginning with the problem of apportioning the initial obligations to contain carbon.

The European Community wants to start from a 1990 emissions base line, which would cost it little because Europe would receive credit for the conversion of Britain and eastern Germany from coal to natural gas in the 1990's. Meanwhile, Brazil, China, India, Indonesia and most of the rest of the third world want controls to kick in only when their per capita emissions have reached parity with the West — a formula for doing nothing until the middle of the next century.

Thomas Schelling, an economist at the University of Maryland's School of Public Policy, emphasizes the distinction between making promises to reduce emissions by some amount at a certain date and translating talk into action. "Global emissions trading is an elegant idea," he said, "but I cannot seriously envision national representatives sitting down to divide up rights in perpetuity worth a trillion dollars."

That explains why President Clinton, who on Wednesday reaffirmed that "developing countries must participate in meeting the challenge of climate change," seems willing to fudge the issue for a while by encouraging voluntary investment of American cash and technology in third world efforts to contain emissions.

The American Electric Power-British Petroleum forest preservation project in Bolivia fits the model well. And Mr. Clinton is apparently planning to bolster such voluntary efforts by guaranteeing participants credits against mandatory emissions limitations highly likely to be imposed after 2008.

But Mr. Stavins of Harvard argues that monitoring such deals is bound to be problematic. Apart from the practical issues of insuring compliance in countries with inadequate infrastructure, corrupt governments and courts unwilling to enforce contracts, he is concerned that in agreements between companies, "both parties will have powerful incentives to exaggerate the gains."

American policy makers thus face some difficult issues. Market-based strategies to contain global warming promise far more bang for a buck than traditional regulation. But carrying out such efforts poses new problems that engender skepticism, even among free-market advocates. "We just have not thought through the mechanics of international trading," argued Mr. Nordhaus of Yale.

That is why many economists and some environmentalists are quietly pleased with the part of the Administration's plan that would delay mandatory market-based limitations for another decade.

"If it's worth doing," argued Paul Portney, president of Resources for the Future in Washington, "surely it's worth waiting long enough to do the job right."

The New York Times
FRIDAY, OCTOBER 24, 1997

2/2

Leading the News

Environment

U.S. Climate Change Position Would Return to 1990 Levels by 2012

President Clinton announced Oct. 22 that the administration would commit the United States to returning to 1990 levels of greenhouse gas emissions between 2008 and 2012.

As part of the plan, the administration would offer $5 billion in domestic tax and spending incentives to improve energy efficiency and reduce global warming.

"Scientists don't know what the precise consequences will be," Clinton said at the National Geographic Society. "But we do know enough now to know that the industrial age has dramatically increased greenhouse gases in the atmosphere, where they take a century or more to dissipate, and that the process must be slowed, then stopped, then reduced if we want to continue our economic progress and preserve the quality of life in the United States and throughout the planet."

The president's plan focuses on increasing efficient use of fuel, rather than taxing consumption.

Clinton, in a long-awaited statement, sought to occupy a middle ground, calling for specific timetables and targets but rejecting more ambitious plans announced by the European Union as unrealistic. The president stressed the need to achieve reductions in greenhouse gas emissions without causing economic damage and insisted on developing country commitments to reduce emissions as well. He also pledged to provide assistance for workers who lose their jobs as a result of efforts to achieve the goals of the climate change proposal.

The president's plan focused on increasing efficient use of fuel, rather than taxing consumption.

"If we do this properly, we will not jeopardize our prosperity, we will enhance it," Clinton said.

Negotiators will take the U.S. plan to talks in Bonn, Germany, this week and work toward a global accord on reducing emissions of gases such as carbon dioxide that contribute to global warming at a international conference in December in Kyoto, Japan.

Key Elements. Among key elements of the president's negotiating position are:

- Binding targets for reducing greenhouse gas emissions to 1990 levels by 2008-2012, followed by further reductions over the five-year period that follows.
- A package of tax cuts and research and development spending amounting to $5 billion over five years, beginning with the fiscal 1999 budget. The administration will take these steps unilaterally regardless of the outcome of the Kyoto conference, the president said. Tax cuts and spending will be included in the administration's budget, Office of Management and Budget Director Franklin Raines said after the president's speech.
- The administration will ask key industries to present plans over the next nine months to voluntarily reduce emissions and will provide incentives for firms that act early. Those firms will receive credits toward eventual emissions reduction obligations, Raines told BNA.
- The White House will insist that developing countries make commitments to cut emissions as well.

"The United States will not adopt binding obligations without developing country participation," Clinton said. The United States favors "joint implementation," in which industrialized countries sponsor projects in developing countries and receive credit for some of the resulting emission reductions.

- Creation of a domestic and international emission trading markets in 10 years.

U.S. Will Act, Clinton Says. Clinton stressed that the administration would move forward without waiting for the results of the global climate change conference.

"We cannot wait until the treaty is negotiated to act," he said. "The United States has less than 5 percent of the world's people, enjoys 22 percent of the world's wealth, but emits more than 25 percent of the world's greenhouse gases."

In the initial phase of the White House plan, the administration will offer its tax cut and spending package, much of which will be drawn from ideas in the recent report of the president's committee on science and technology, the administration said.

In addition, incentives for early action, industry consultation, and development of industry efficiency standards are part of the initial stage.

As part of the early going, the administration pledged to expand use of existing energy-efficient technologies, charge the Department of Energy with cutting emissions from federal sources, and restructure the electrical energy sector to promote greater competition.

Clinton further said the administration would start bilateral talks with key developing countries on promoting clean energy.

In the second phase, beginning around 2004, the administration would review efforts and begin to test details of a market-based permit system for carbon emissions. The system for cutting acid rain is a model for such a structure, administration officials said.

A second economic review would occur at the end of this phase, administration officials said. The third stage would see the establishment of the trading system and fulfilling of commitments to reduce greenhouse gas emissions some time between 2008 and 2012.

Energy Prices. Gene Sperling, who chairs the National Economic Council, told reporters the president's plan does not include any government-mandated increase in the price of energy. But a rise in energy prices could not be ruled out when emission trading begins, he said, although it is "hard to predict" what those costs could be.

Larry Summers, deputy secretary of the Treasury, called the Clinton plan "a helping-hand approach rather than a heavy-hand approach" because it promotes energy efficiency and does not mandate energy price increases.

The measures outlined in the president's plan could actually lower energy prices, Summers told reporters. This is because energy efficiency would reduce the demand for energy, he said.

Emission Targets. Sperling acknowledged that some groups say that reducing U.S. greenhouse gas emissions to 1990 levels by 2008 will be difficult. But, he said, "if we act early we make it easier to deal with a long-term problem."

Kathleen McGinty, who chairs the President's Council on Environmental Quality, said the president's target and timetable for controlling greenhouse gas emissions was not the "pie in the sky" advocated by some environmental organizations and not the "doomsday" predictions of some industry and other groups. Without the plan, U.S. greenhouse gas emissions are expected to be 28 percent higher than 1990 levels by 2010, she told the news briefing

McGinty said the administration has yet to decide on how much U.S. greenhouse gas emissions would get ratcheted down after the 2008-2012 period. "It's still under discussion," she said.

Michael Oppenheimer, senior scientist with the Environmental Defense Fund, told BNA that the president's plan until the morning of Oct. 22 called for a reduction of 5 percent below 1990 levels of emissions after 2012. He said deletion of this target was "an unfortunate signal" since the Clinton's proposal was already weak on long-term emission goals.

Treaty Negotiations. Todd Stern, who chairs the White House task force on climate change, told reporters that U.S. officials would present the president's plan Oct. 22 at climate change negotiations taking place in Bonn. Those talks, which run through Oct. 31, are expected to culminate at a Dec. 1-10 meeting in Kyoto, Japan, where governments expect to finish a new climate change treaty that requires industrialized nations to control their greenhouse gas emissions.

Stern reiterated the president's call for participation of developing countries under the treaty. "We will not assume binding emission reductions without participation of developing countries," he said.

What exactly would constitute "participation" by developing countries under a new climate change treaty—and when their effort would begin—would have to be hammered out in the negotiations in Bonn and Kyoto, he said

As a matter of science and policy, participation of the developing countries is essential if the United States is to accept binding limits on its greenhouse gas emissions, Stern said. McGinty said binding emission commitments by industrialized countries are "absolutely required" in the planned Kyoto pact.

Stern said Clinton has been discussing his proposal by phone in recent days with leaders of the industrialized world.

BY MARK FELSENTHAL AND CHERYL HOGUE

Text of President Clinton's climate change proposal appears in Section T.

Environment

Capitol Hill Gives Plan Mixed Reviews; Stresses Developing World Participation

Capitol Hill response to President Clinton's Oct. 22 climate change proposal ranged from cautiously affirmative to aggressively critical.

Lawmakers emphasized that developing countries must be participate in any new climate change treaty.

Sen. John Chafee (R-RI), chairman of the Senate Committee on Environment and Public Works, said he believes Clinton is "heading down the right path" as negotiators work on a new treaty on climate change. Chafee expressed concern that the administration has not done "a better job of forecasting [economic] impacts" of reducing greenhouse gas emissions and determining potential economic impacts of not taking action.

Sen. Frank Murkowski (R-Alaska), chairman of the Senate Energy and Natural Resources Committee, said, "To reach the president's targets, we will need a $50 per ton carbon tax. American consumers and workers will pay dearly and, unless China, Mexico, and the other developing countries follow suit, global emissions will still increase."

"There is a huge difference between the president's assurances that developing nations will participate and what those nations are actually saying" in treaty negotiations currently under way in Bonn, Germany, Murkowski said. Those talks are scheduled to conclude in Kyoto, Japan, in December.

House Views. Rep. John Dingell (D-Mich), ranking Democrat of the House Commerce Committee, said, "Any agreement in Kyoto must do more than exact a vague promise from the developing countries to participate at some point in the future."

Dingell was less than optimistic about the Clinton plan. "The virtues of the president's proposal — and there are a few — are problematic. There is no doubt about the need for new technologies and the promise of research. Voluntary measures and incentives are better than mandates," he said.

Rep. James Sensenbrenner Jr. (R-Wis), chairman of the House Science Committee, said, "A U.N. climate treaty along the lines proposed by the Clinton-Gore administration would lead to higher prices and American jobs moving overseas." He said the proposal "threatens the quality of life of all Americans" because its "government mandates and timetables will result in higher energy prices for working Americans and send U.S. jobs overseas."

Science Committee Ranking Democrat George Brown (D-Calif) called Clinton's proposal "a sound and reasonable beginning step." He said the plan commits the United States "to a path of economic growth based on wise and efficient use of all our energy resources."

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"Some will urge faster and deeper cuts. But we need to recognize that reducing global [carbon dioxide] emissions and weaning the nation from its profligate energy habits will require sustained efforts over many years. It is more important to begin to get the national commitment and the international framework in place," Brown said.

Brown praised Clinton for including incentives for development of energy efficiency technologies and non-fossil fuel energy resources.

House Speaker Newt Gingrich (R-Ga) said there are a "tremendous number of questions" on the science of climate change, whether Clinton's proposal would work, and whether the new treaty would be fair to the United States. "Republicans in Congress will oppose any plan that raises taxes on hard-working Americans, threatens our economic growth, or exempts developing nations like Brazil, China, India, and Mexico," Gingrich said.

House Majority Whip Tom DeLay (R-Texas) said Clinton "has fully embraced the unproved theories of global warming while promoting damaging regulations and higher taxes that will come from the Kyoto conference. I think that is a real environmental disaster."

By Cheryl Hogue

Environment

Business Coalition to Step Up Criticism Following Announcement of Clinton Plan

A coalition of interests opposed to President Clinton's plan to cut greenhouse gas emissions in the United States and abroad will soon step up its public criticism of that plan, Karen Kerrigan of the Global Climate Information Project told BNA Oct. 22.

"Now we'll ratchet up our efforts," Kerrigan said. "We'll go all out to educate the American people."

The Global Climate Information Project has been sponsoring a multimillion dollar advertising campaign saying a planned new climate treaty is "not global and it won't work." Through cable television, print, and radio advertisements, the group has said the treaty will cause U.S. gasoline prices to rise by 50 cents a gallon, natural gas prices to go up 45 percent, and electricity costs to go up 20 percent.

Kerrigan had not seen many details of the Clinton proposal for such a treaty. However, "if what I'm hearing is correct," the proposal essentially would let developing countries off the hook while destabilizing the U.S. economy.

"The proposal still is not truly global," Kerrigan said, because it would have developing countries take only voluntary measures.

Kerrigan is with the Small Business Survival Committee, an association of small business interests that cosponsors the information project along with the American Automobile Manufacturers Association, American Farm Bureau Federation, and others.

The coalition also would like to further engage key senators, Kerrigan said. Now that Congress has a firm plan to work with, Democrats and Republicans need to challenge the administration on that plan, Kerrigan said. In July, the Senate passed a resolution (SRes 98) saying it would not ratify an international agreement unless developing countries were brought on board with "specific scheduled" commitments to reduce emissions.

New Taxes Impending, GCC Says. If the Clinton plan to cut domestic emissions prevails, "It will require energy taxes or rationing," said Gail McDonald, president of the Global Climate Coalition, in an Oct. 22 press statement.

"It's worth repeating that American families can expect to pay at least $2,000 a year by 2010 if these efforts to reduce energy are implemented," McDonald said, citing a study by the economic consulting firm WEFA Inc.

Clinton promised that economic impacts of greenhouse gas emission reductions "would be softened by the use of a global emissions trading scheme and through $5 billion in government subsidies," McDonald said. However, "both methods ultimately must be paid for by American consumers and taxpayers."

Do not be fooled, McDonald said, "energy use simply cannot be cut back this far without huge price hikes to discourage consumption."

The Independent Petroleum Association of America agreed.

"It is the president's responsibility to study this issue exhaustively before sacrificing thousands of jobs and spending billions in taxpayer dollars," IPAA's chairman-elect George Yates said in an Oct. 22 statement critical of the Clinton proposal.

IPAA represents 5,000 crude oil and natural gas producers. Yates said "the jury is still out" on whether humans are contributing significantly to the emission of greenhouse gases.

The U.S. Chamber of Commerce added that it "would not support any international global climate plan that is unfair to American business or results in substantial job losses, hidden taxes, or higher energy costs."

Wishful Thinking, Electric Industry Says. The Edison Electric Institute stated that the economic impact of President Clinton's plan to combat global warming is unclear.

However, the idea that reductions could be achieved with little or no cost to Americans "could amount to little more than wishful thinking," EEI President Thomas R. Kuhn said in a statement.

EEI member companies deliver more than 75 percent of U.S. electricity. "The electric industry would have to cut emissions by 30 percent to reach 1990 levels and other industries would have to scale back as well," EEI said.

In fact, any environmental policy on global warming will have significant energy and economic consequences, EEI said.

The National Association of Manufacturers stated its opposition more strongly. Clinton's proposal is flawed, NAM said. It lacks specifics and contains a blind commitment "to a goal that we don't know we can meet without severe economic disruption."

Other Industries Support Cuts. In the *Wall Street Journal* Oct. 24, a dozen business executives plan to advertise their support for a reasonable policy to mitigate climate change, according to an Oct. 22 media advisory by the environmental group Ozone Action.

A consensus statement sponsored by executives of alternative energy companies—as well by Ted Turner, CEO of Mitsubishi Motor Sales of America Richard Recchia, and others—is slated to say, "We are confident that if government develops a reasonable climate policy, industry can step up to the challenge without threatening American jobs or living standards."

Business executive recognize "that the vast majority of scientists believe that the 'balance of evidence suggests a discernible human influence on global climate,'" an advance copy of the statement said.

Separately, the Business Council for Sustainable Energy called Clinton's proposal "a reasonable response to the threat of global warming." Measured and appropriate, the plan should "unleash the ingenuity of American business to find creative solutions," the group said in an Oct. 22 statement.

The BCSE comprises companies and trade associations in the natural gas, electric utility, renewable energy, energy efficiency, and home appliance industries, as well as others.

"The science of global warming is clear enough to warrant a measured response to greenhouse gas emission reductions," the group statement said.

The International Climate Change Partnership, meanwhile, is reserving judgment.

"ICCP members welcome the president's commitment to the policy framework enunciated by the administration over the last 18 months," the group said. "While we have concerns over the practicality of the timing of any particular target, it is not appropriate to comment on the target and timetable isolated from the important treaty issues already identified by the president."

ICCP is a coalition of U.S. industry representatives and associations interested in global climate change policy.

By James Kennedy

Environment

Environmental Groups Offer Mixed Reviews; Many Say Climate Change Plan Fails Totally

Environmental groups offered mixed reviews Oct. 22 of President Clinton's plan to reduce greenhouse gas emissions. Some said it looked like a good "first step" while others said it fell far short of proposing action necessary to mitigate global climate change.

The Environmental Defense Fund had encouraging words for the proposal. "The President's plan declares 'open season' on greenhouse gases," EDF's executive director Fred Krupp said in a statement. "However, a stronger position must be negotiated this December in Kyoto, Japan," EDF said.

"We look to the negotiators to produce a final agreement that is stronger than any of the proposals by industrial nations that are now on the table," EDF atmospheric physicist Michael Oppenheimer said in the statement.

The Sierra Club, by contrast, was critical of the Clinton plan. The environmental group said it is "particularly disappointed" that Clinton did not stick to an earlier commitment to reduce greenhouse gases by 5 percent or more below 1990 levels.

"While the president rejected the advice of the do-nothing camp among polluters and bean counters, the plan he announced today fails to protect our children," a Sierra Club statement said.

"To confront global warming, the president must require the auto and oil industries to take real steps to reduce pollution starting now," the Sierra Club said. "The plan announced today must be a first step, not a last step."

Both EDF and the Sierra Club urged the administration to swiftly implement proposed domestic programs to cut emissions.

Half the Job? Proponents of energy-efficient and renewable energy technologies said Clinton's plan "is a step in the right direction."

However, "much more must and can be done," the Sustainable Energy Coalition said in a press statement.

The coalition believes renewable power sources—solar, wind, geothermal, biomass, and hydroelectric—can provide 14 percent or more of U.S. energy needs by the year 2010, drastically cutting emissions of carbon dioxide and other greenhouse gases. Currently, these sources provide about 7 percent of the U.S. supply, the Sustainable Energy Coalition said.

The group Ozone Action, meanwhile, said Clinton's proposal was "embarrassingly light" considering the severe threat posed by global climate change.

"This modest proposal would be fine if we only had a modest threat," Ozone Action Executive Director John Passacantando said in a press statement.

The problem is great, however, and Clinton should not propose to solve it half way, he said. "Kennedy did not want to go halfway to the moon," Passacantando said.

Ozone Action has called for reductions in greenhouse gas emissions of at least 20 percent below 1990 levels by 2005.

'We Are Dismayed.' In an Oct. 22 letter, the Climate Countdown coalition said: "President Clinton and Vice President Gore, we are dismayed by the weak position you have announced for the United States in the upcoming global warming negotiations."

The coalition of mostly state and local organizations said a call to reduce greenhouse gas emissions to 1990 levels by 2010 is "too little too late."

This may not be the case, the coalition added, if the administration takes a stronger stand in Kyoto. "You still have an opportunity to show national and world leadership and minimize the threat of climate change," the letter said.

The National Wildlife Federation, meanwhile, said Clinton's plan fails to commit the United States to specific reductions in greenhouse gasses—a step that "the prevailing science indicates is necessary to avoid the grave consequences of global climate change."

However, NWF supports Clinton's proposal for domestic measures that will "put the United States on an early reduction path to curb emissions," a press statement added. "If fully implemented, these measures can mean significant cuts in emissions."

Greenpeace called the Clinton proposal "Black Wednesday for the climate negotiations." If the U.S. position were adopted in Kyoto, Greenpeace would con-

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sider the international agreement a failure, the group's statement said.

Negotiators are expected to complete work on a new climate change treaty at a December meeting in Kyoto, Japan.

Environment

EC Calls Clinton 'Irresponsible' in Setting Modest Goals to Curb Greenhouse Gases

BRUSSELS—The European Commission dismissed the U.S. climate change proposal announced Oct. 22 by President Clinton as "totally inadequate" and "irresponsible."

Commission Spokesman Peter Jorgensen said the proposal was a step backwards from previous commitments the United States had made in the last two years in the United Nation's Framework Convention on Climate Change; and he accused the United States of reneging on commitments former U.S. President George Bush had made at the Earth Summit in Rio de Janeiro in 1992, when the convention was first signed.

"We need something much more ambitious from the White House," said Jorgensen. "With this proposal the U.S. is shirking its global responsibility to counter climate change. As the world's largest producer of greenhouse gases, we need cuts from the U.S. along the lines of the EU proposal of a 15 percent cut by 2010 from 1990 levels.

"The U.S agreed in 1992 in Rio to stabilize emissions by 2000 at 1990 levels," Jorgensen said.

"Now it is saying it will stabilize by 2012. That is just not acceptable. In fact it is totally inadequate and downright irresponsible.

"The U.S. committed in 1995 in Berlin to make meaningful reductions from 1990 levels, and it agreed in Geneva last year to make the reductions legally binding," Jorgensen added. "With this plan the U.S. is violating almost all aspects of those commitments."

The Commission spokesman said the EU would reject the U.S. proposal to establish a trading emission scheme with Japan and the European Union, if the United States does not agree to reductions in Kyoto to counter the problem of global warming.

"We have said all along that the industrialized nations must commit first to significant reductions in greenhouse gases before we are going to talk about emission trading or joint implementation," said Jorgensen. "And that will be our position in the negotiations between now and the conference in Kyoto."

The Commission also is rejecting the U.S. plan that calls for developing nations to make commitments on greenhouse gas reductions before the industrial nations of the western world implement significant cuts.

The EU has put forth a plan in the climate change negotiations to reduce global greenhouse gases by 15 percent from 1990 levels by the year 2010. European industries have been highly critical of that plan and say it is a recipe for economic disaster in a region of the world that is already plagued by chronic unemployment.

Environment

Canada May Not Reveal Emission Targets Before December Kyoto Climate Conference

OTTAWA—Canada may not make its greenhouse gas emission targets public before the climate change conference in Kyoto, Japan, a spokesman for the Canadian environment minister said Oct. 22.

"There is no specific expectation at this point to make any position public before that meeting," Dan Brock, press secretary for Environment Minister Christine Stewart, told BNA. "The government's position, such as it is, is a position for negotiation, and it may be made public, but it may not be."

Brock said Canada is going to Kyoto to negotiate legally binding medium-term targets to significantly deal with the climate change problem and to reduce greenhouse gas emissions.

Brock said Stewart is still talking to all the various interested parties as part of the process of staking out a position.

Meanwhile, Stewart told the House of Commons that Canada needs to set realistic and achievable targets for cutting emissions of greenhouse gases.

"When we made our commitment in Rio [de Janeiro] in 1992, we really were not aware enough of what we had to do in order to achieve our targets. We weren't realistic at the time," Stewart said. "We hope that in negotiations with all of our partners we can come to realistic, achievable targets in Kyoto, Japan."

'Step-by-Step, Painstaking Approach.' Canada's Natural Resources Minister Ralph Goodale shared the environment minister's concerns. "The Rio commitments were perhaps made without the right kind of preparation and logical thought," he said earlier Oct. 22. "We want to make sure, another time around, that we are in the position to deliver, and that is why we have taken a very meticulous, step-by-step, painstaking approach to our preparations to Kyoto—to make sure that the unfortunate experience at Rio is not duplicated this time."

Goodale would not say what Canada is contemplating this time around to achieve its emissions targets, but he added that voluntary emissions reductions strategies do result in emissions reductions.

The latest information from Environment Canada shows that, between 1990 and 1996, carbon dioxide emissions in Canada increased by 10.5 percent—going from 463.6 million metric tons to 512.3 million metric tons. In 1996, emissions rose about 2 percent from 500 million metric tons to 512 million metric tons by year's end. These figures are preliminary and are for carbon dioxide only. Final figures for all greenhouse gases will be available in April 1998.

"Don't underestimate the value of the contributions that actually can be achieved by means of voluntary initiatives," Goodale stated. "The emissions situation would have been worse if it had not been for the voluntary initiatives."

By Roland Blassnig

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Highlights of Clinton's proposal
White House Iniatitive on Global Climate

Published Thursday, October 23, 1997

Clinton proposes plan to combat greenhouse gas emissions

From News Services / Star Tribune

WASHINGTON, D.C. -- President Clinton pledged Wednesday to "harness the power of the free market" for an assault on greenhouse gas pollution, outlining a package of incentives and modest targets that he says will counter global warming while allowing businesses to prosper.

Clinton released long-awaited details of his policy in a speech that drew skepticism internationally and condemnations from both ends of the U.S. political spectrum. But others praised the president for committing to a serious, if cautious, plan for addressing what many scientists see as the planet's greatest environmental threat.

"We must begin now to take out our insurance policy on the future," Clinton said. Global warming "is real," and the "consequences, sooner or later, will be destructive for America and for the world," he said.

Clinton's strategy includes plans to reward companies that reduce harmful emissions ahead of schedule, encourage energy efficiency with $5 billion in tax breaks, and develop a trading system that would allow companies that reduce pollution to profit by selling leftover emission "credits" to other companies.

The plan calls for stabilizing the industrialized world's output of carbon dioxide and other greenhouse gases at 1990 levels between 2008 and 2012 -- followed by further, unspecified reductions by 2017. The European Union, by contrast, favors limiting emissions at 15 percent below 1990 levels by 2010.

Obviously responding to a recent industry TV ad blitz that argues that any plan would excuse such nations as China, India and Mexico from reducing greenhouse gases, Clinton said the United States "will not assume binding obligations unless key developing nations meaningfully participate in this effort."

Talks are underway this week in Bonn, Germany, to try reach a global warming treaty to be signed in December in Kyoto, Japan. The treaty would set mandatory ceilings on emissions by nations around the world and impose penalties on those that fail to comply.

The unveiling of the U.S. position was a crucial step in the talks. For two years, the administration has essentially put the talks on hold, saying it needed more time to analyze additional climate data. Now, mid-level negotiators have barely a week in Bonn to narrow their differences before sending the issue to Kyoto.

Economic uneasiness

Some business and labor groups say that even the relatively modest restrictions sought by Clinton would strangle the economic growth, raise energy prices and put millions of people out of work. But Clinton said his program actually would boost the economy by increasing efficiency and creating opportunities for new products and markets.

"If we do it right, protecting the climate will yield not costs, but profits, not burdens but benefits, not sacrifice, but a higher standard," he said.

The administration released no economic analyses showing what impact binding targets might have, saying it's virtually impossible to predict the effects 13 years into the future.

But congressional and industry opponents of the proposed global warming treaty said Clinton's proposed cure would be far worse than the disease -- if global warming is indeed a threat at all. A coalition representing oil companies, electric utilities, automobile manufacturers and farm groups are behind the multimillion-dollar ad campaign to generate opposition to a treaty.

"The Clinton-Gore global climate plan threatens the quality of life for all Americans," said U.S. Rep. James Sensenbrenner, R-Wis. He said the restrictions would result in higher energy prices for working Americans and send U.S. jobs overseas.

The green response

Reaction among environmental groups was mixed. Several mainstream groups that were prepared to endorse the president's package were disappointed when the final details became public. "The air went out of the balloon," said John Adams, executive director of the Natural Resources Defense Council.

"The president has recognized that the global warming train is bearing down on the planet. But the policy announced today will not go nearly far enough to get us out of harm's way," Adams said.

Some environmentalists said the incentives for immediate cuts in greenhouse gases in the new proposal more than atoned for any shortcomings in the proposed pollution ceilings and timetables.

"The president's proposal puts the United States in the thick of the negotiations rather than on the fringe," said Michael Oppenheimer, an atmospheric physicist with the Environmental Defense Fund. "For the first time there is a good chance of a constructive outcome at Kyoto."

A coalition of 15 Minnesota environmental and conservation groups said it was disappointed by Clinton's proposal.

"Essentially, we're pushing off until well into the next century the commitments that were negotiated by the Bush administration at the

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Clinton Gets Flak on Global Warming

H. Josef Hebert / Associated Press

WASHINGTON (AP) -- President Clinton looked for middle ground in his plan to battle global warming, but got flak from all sides -- business and environmental groups alike -- and will face a formidabl selling job in Congress and in upcoming climate talks in Japan.

From European diplomats to members of Congress, from environmental leaders to powerful industry groups such as auto makers and the National Association of Manufacturers, the response to Clinton's proposal Wednesday was almost universally negative.

"The plan fights a five-alarm fire with a garden hose," the Sierra Clut said.

"It leaves the United States as the only developed nation dragging its feet," said Phil Clapp, executive director of the Environmental Information Center.

From a different perspective, but just as harsh, industry lobbyists predicted the proposal, if translated into an internationally binding treaty, would be too costly to U.S. business. They vowed to fight it.

"It's a blind commitment to a goal that we don't know what we can meet without severe economic disruption," complained Jerry Jasinowski, president of the National Association of Manufacturers.

But the president's advisers said the initiative, which called for gradual, mandatory controls on heat-trapping greenhouse gases, both bold and innovative.

"It's not pie in the sky nor the doomsday rhetoric," said Kathleen McGinty, chairman of the president's Council on Environmental Quality.

Even more troublesome to the White House, however, was the hostile reaction from many members of Congress and the cool response from countries that will negotiate a climate treaty in Kyoto, Japan, in December.

"Something much more substantial will need to come out of the White House if the United States is to face up to its global responsibilities," said Peter Joergensen, environment spokesman for the European Commission. "This doesn't seem to be extremely ambitious."

The Europeans are expecting much deeper and earlier reductions in greenhouse gases -- mainly carbon dioxide from burning fossil fuels -- to come out of the Kyoto talks.

They have proposed industrial countries cut emissions by 15 percent below 1990 levels. Clinton said the United States would cap emissions at 1990 levels in the 2008-2012 time frame. Even that, said McGinty, would mean actual cuts of nearly 30 percent from what emissions would be expected to be without any additional curbs.

Carbon dioxide, the main greenhouse gas, comes mainly from burning coal and oil and the only way to reduce emissions is to use less energy and shift to other fuels. Clinton has rejected an energy tax -- the easiest way to reduce energy use -- because the public won't accept soaring fuel prices.

Instead, the president proposed $5 billion in tax breaks and other incentives to spur energy efficiency and development of new energy technologies before binding international pollution curbs would go into effect.

But the money would have to be approved by Congress and the response on Capitol Hill was anything but enthusiastic. "It's another big government boondoggle crafted in secret," Rep. Bill Paxton, R-N.Y., declared, speaking for the Republican majority in the House.

Sen. John Chafee, R-R.I., praised Clinton as being on "the right path' in dealing with global warming, but aides conceded he may be the only Republican in the Senate to feel that way. Most Democrats were silent.

Lawmakers already have gone on record as warning the president that any treaty that does not require emission reductions by rapidly developing countries like China is doomed and won't be ratified.

Clinton said he wants to find a way to bring the developing countries on board because in 20 years to 30 years they will emit more heat-trapping carbon dioxide than the developed countries.

But negotiators preparing for the Kyoto conference are barred from even considering binding emission controls on China and other developing countries. A proposal this week by the United States to require that these countries at least begin negotiating on commitments by 2005 was rejected.

The United States also is expected to have trouble selling another pillar of Clinton's strategy: creation of an elaborate pollution trading program that the White House is banking on to keep costs of pollution controls manageable.

The Europeans as well as the developing countries have expressed little interest in a trading scheme unless the United States commits to deeper emission cuts than announced Wednesday. Critics have called the plan too complex and difficult to explain.

Environmentalists hope Clinton will agree to deeper emission cuts as international negotiations proceed. "If they dig in their heels, forget it. They will have blown up the process." said Michael Oppenheimer, a climate scientist at the Environmental Defense Fund.

Journal of Commerce 10/23/97

Pollution package unveiled

Clinton's global warming plan generates friction

Business, green groups cool on latest proposals

BY TOM CONNORS
JOURNAL OF COMMERCE STAFF

WASHINGTON — President Clinton's new proposal for combating the threat of long-term global warming quickly raised the temperatures of U.S. business groups concerned about its impact on trade.

Mr. Clinton's call for an international agreement to limit emissions of gases that trap heat in the atmosphere to 1990 levels in the years around 2010 also seemed certain to disappoint environmentalists and many European governments.

European officials favor earlier emission cuts of up to 15% below the 1990 mark and Mr. Clinton's proposal was labeled "not good enough" by a spokesman for the European Commission.

Japan, host to a Kyoto conference in December aimed at producing an agreement, supports the general approach advocated by Mr. Clinton.

The president would allow governments to make an average reduction to 1990 levels in the years between 2008 and 2012; Japan has proposed a 5% cut below 1990, averaged over a similar period.

The Clinton package, unveiled in a Wednesday afternoon speech to the National Geographic Society, also calls for up to $5 billion in tax and other incentives and a system for trading pollution-reduction credits among developed nations.

Business representatives were more concerned about the potential impact of new emission controls on U.S. competitiveness in global markets.

The package calls for up to $5 billion in tax and other incentives and a system for trading pollution-reduction credits among developed nations.

The critical question for many was the details of what the Kyoto conference ultimately accepts in the way of curbs on developing countries' emissions of carbon monoxide and the other heat-trapping gases produced by the use of oil and coal.

"The U.S. Chamber of Commerce opposes any plan that leaves countries such as China, India and Mexico free to pollute without limit or places strict caps on American industry would be unacceptable," said Thomas J. Donohue, the chamber's president.

"We regard this as a one-way ticket to ship American industrial capacity overseas," Mr, Donohue added. A second U.S. business spokesman said failure to include comparably tight limits on developing countries' emissions would make any agreement "a sham" in terms of market competitiveness.

Mr. Clinton called on developing countries to meet binding emission ceilings over time but he did not advocate specific targets.

The environmental group Greenpeace held a rally Wednesday in Bonn, Germany, where preparatory negotiations were going on, attacking what it claimed are "dinosaur policies" of the Clinton administration.

An airline representative worried, meanwhile, that a "patchwork" of emission control plans that differed from country to country around the world would create compliance problems for airlines, beyond the additional costs of new controls.

Mr. Donohue of the chamber said the president's emission trading proposals "are a hidden tax by a different name."

Capping emissions, he said, "amounts to energy rationing which drives up consumer costs as effectively as higher energy taxes."

Andrew Z. Szamosszegi, an analyst at the Economic Strategy Institute, said such objections will present Mr. Clinton with "an uphill climb" to get congressional approval for the legislation needed to support his proposals.

Global-warming plan draws fire from environmentalists

By Patrice Hill
THE WASHINGTON TIMES

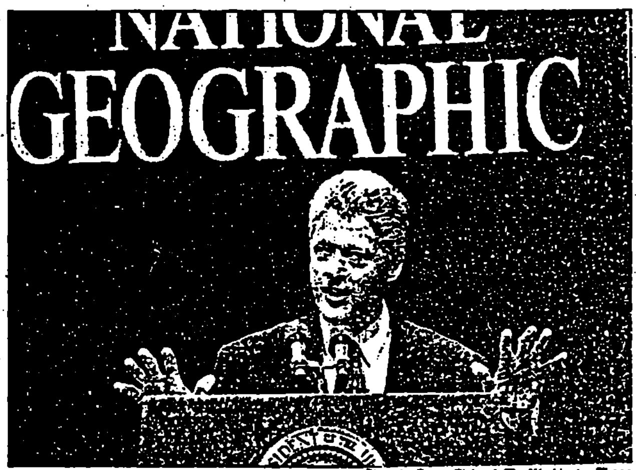

Photo by Roger Richards/The Washington Times
President Clinton speaks at the National Geographic Society yesterday about measures he wants to take to offset the effects of global warming.

President Clinton yesterday announced a global-warming plan requiring a one-third cut in greenhouse gases by 2012 but putting off for a decade any measures that could substantially raise energy prices.

Taking a carrot-and-stick approach, the plan offers businesses tax incentives and "credits" against future fees they would have to pay to the government if they improve their energy efficiency right away. The administration hopes that by using existing conservation techniques, much higher energy costs can be avoided in the future.

But the plan was denounced immediately by nearly all sides. Environmentalists said it would not prevent a dangerous buildup of greenhouse gases, and business groups and Republicans said it is too strong and dishonest in hiding the higher energy costs that would be felt by most Americans.

Seeking to strike a middle ground, Mr. Clinton anticipated the criticism. While acknowledging that "the challenge we take on today is larger than any environmental mission we have accepted in the past," he compared the current universal resistance to a previous effort by the government to clean up tailpipe emissions in 1970.

"Many environmental leaders claimed the standards would do little to head off catastrophe," he said. "Industry experts predicted the cost of compliance would devastate the industry. It turned out both sides were wrong. Both underestimated the ingenuity of the American people."

The president said he is convinced that relatively painless ways of cutting carbon dioxide emissions from cars, power plants and factories can be found without hurting the economy or significantly raising energy prices.

"This plan plays to our strengths: innovation, creativity, entrepreneurship," Mr. Clinton said.

He said the government would lead the way by cutting regulatory obstacles to energy conservation, installing solar panels in federal office buildings and taking other measures to cut energy use.

His plan represents the United States' opening bid in international negotiations aimed at producing a global-warming treaty at Kyoto, Japan, in December. Europe and Japan both have proposed much bigger emissions reductions while the third world so far would be exempt from any cuts.

Mr. Clinton emphasized yesterday that he will not sign a final treaty unless countries like China, India and Mexico are "engaged" and "meaningfully participate" in the emissions reductions.

Senate critics of Mr. Clinton's negotiating stance dismissed that pledge as too vague, while Republicans in the House called on Mr. Clinton to spell out the stiff measures the government would have to take if his plan to coax citizens into conserving more fails.

"I think it is a typical Clinton administration shell game," said Rep. Bill Paxon, who believes Congress should not have to wait until next year to learn the details of a deal Mr. Clinton hopes to seal in December.

"You say nice things, it sounds good, everybody feels good. And then down the road, we get hit hard. And I don't think we can afford it. The economy of this country certainly can't. We need honest answers."

The New York Republican said he still plans to push a resolution through the House against "stealth" energy-tax increases that could be imposed 10 years hence — after Mr. Clinton has left office — to achieve the dramatic emission cuts.

Environmentalists deplored the plan as "too little, too late."

"It is not strong enough to put us on a safe path for the planet [and] avert a runaway climate," said John Adams, executive director of the Natural Resources Defense Council, which like other major environmental groups pledged to push for a doubling of the emissions cuts as proposed by the Europeans.

Business groups were equally unimpressed. "We find it unacceptable. It's going to set a cap on greenhouse emissions that in the end will result in high gasoline taxes or rationing," said Gail McDonald, president of the Global Climate Coalition.

About the only group that was happy was the Business Council for Sustainable Energy, which represents natural gas, solar energy and other industries that stand to gain from Mr. Clinton's push for technological change.

"This is a measured, appropriate action plan given what we know today about global warming," said Terry Thorn, senior vice president of Enron Corp. in Houston.

The Washington Times
THURSDAY, OCTOBER 23, 1997

ECONOMY

Clinton Proposes Global-Warming Plan

Three Stages Include System For Trading Emissions, Industry Cooperation

By JOHN J. FIALKA
And JACKIE CALMES
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON – President Clinton released a three-stage plan to combat global warming that relies heavily on industry cooperation, technical innovation, and a trading system that turns carbon-dioxide emissions into a marketable commodity.

"If we do this properly, we will not jeopardize our prosperity – we will increase it," the president told business leaders and environmental groups at the National Geographic Society headquarters here. The package has been presented to negotiators in Bonn, who are hammering out a preliminary version of an international treaty to combat global warming.

Business and environmental groups remain split over the plan, and European leaders remain critical. "It simply won't fly," Peter Jorgensen, the European Union's environment commissioner, said shortly after the basics of the U.S. plan were made public. He accused the U.S. of reneging on its promise made during international negotiations in 1995 that it would seek a reduction in emissions.

Clinton vs. Climate

Highlights of President Clinton's proposals for an international treaty to combat global warming:

- Five-year, $5 billion program of tax incentives and R&D
- Reduce U.S. carbon-dioxide emissions to 1990 levels by 2012
- Credits to companies for early emissions reductions
- Developing countries reduce emissions
- A market-based, international system for trading emissions credits in 10 years

"Having the president committed as early as 1998 to set up a system like this, I think that's a big positive development," said Fred Krupp, executive director of the Environmental Defense Fund, which helped develop the package's emissions-trading plan.

But Kalee Kreider, head of the environmental group Greenpeace's climate campaign, lambasted the president. "To respond with such complacency to climate change is to ignore the threat to human health and the environment," she said.

For the project's initial stage, President Clinton proposed a $5 billion package of tax incentives and new research and development projects designed to get industries to cut emissions of carbon dioxide, which many scientists believe is warming the planet by trapping the sun's heat in the atmosphere, a so-called greenhouse effect. The president asked for key industry sectors to spend the next nine months developing reduction plans, promising they would be "rewarded appropriately."

But just what those incentives and rewards will be wasn't specified. Gene Sperling, head of the president's National Economic Council, said the five-year, $5 billion combination of tax incentives and subsidies would be spelled out in the president's annual budget request early next year. And Mr. Clinton will propose the incentives for immediate emission reductions regardless of whether a global-warming treaty is signed this December.

The trading system would mark the plan's second stage. The government would study the incentives' effects and set limits on carbon-dioxide emissions, reducing them roughly 30% to 1990 levels between 2008 and 2012. The third stage,

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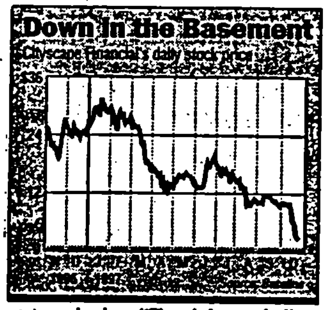

mortgage lenders. "There's been a feeling you need a recession for this to wash out. But this shows you don't need a recession," he said.

What's more, Mr. Facciola said, if he's right, even the stocks of the industry's best-managed companies will suffer.

So far, that hasn't happened. Yesterday on Nasdaq, FirstPlus Financial closed at $59.75, up 37.5 cents, while Money Store rose $2.8125, or 10%, to $30.625, on its announcement that third-quarter profit jumped 54%. But Aames, which put itself up for sale in August, plunged $1.50, or 10%, to $13, on top of a 7.6% decline the previous day, in New York Stock Exchange composite trading. On Tuesday, Duff & Phelps lowered Aames's credit rating, citing "the risks involved in implementing a new strategy, coupled with changing fundamental and competitive factors in the home-equity mortgage industry."

The controversy stems from the companies' practice of packaging the mortgages

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Continued From Page A1

starting in about a decade, would kick off international trading in certificates to companies, depending on their share of the nation's carbon-dioxide emissions limit. Each certificate would allow a company to emit one ton of carbon dioxide a year.

The incentive is for nations to reduce emissions below the limits set by the international treaty, and then sell excess reductions to other nations that aren't meeting their limits.

The president said, "the U.S. will not assume binding obligations" under an international treaty that will be negotiated in December in Kyoto, Japan, unless major developing nations "participate in this effort." Yesterday morning in Bonn, where preliminary negotiations are under way, China and the so-called Group of 77 developing nations issued a statement insisting that the U.S. and other industrial nations cut first by adopting the European Union's stance, which calls for greenhouse-gas reductions that are 15% below 1990 levels by the year 2010. Nations that don't make the stiffer target, the group said, should pay into a fund to be distributed among developing nations.

Michael Zammit Cutajar, executive secretary of the United Nations panel holding the preliminary treaty talks, panned the president's plan. "If this were to be the target for all developed countries, it would be a step, but by no means enough to achieve the objectives of the [United Nations] convention," he said. "One could have wished for a bit more."

Ford Motor Co. attacked the plan for going too far by calling for mandatory and not voluntary targets. "Such arbitrary limits prevent industry and consumers from being able to take advantage of the most effective, low-cost options," a Ford representative said.

Sen. John H. Chafee, Republican chairman of the Senate Environment and Public Works Committee, said the administration was "heading down the right path." The Senate earlier gave President Clinton notice that a treaty with mandatory targets that didn't include involvement by China and key developing nations couldn't be ratified.

The electric-utility industry, like most large industry groups, remains split. Stanley LaBruna, vice president of Public Service Electric & Gas Co., a Newark, N.J., utility, welcomed both the carbon-dioxide-emissions trading plan and the prospect of incentives for early reductions. "Today's action sets the stage for productive and timely negotiations in Kyoto," Mr. LaBruna said.

Thomas R. Kuhn, president of Edison Electric Institute, a trade association whose members generate more than three-fourths of the nation's electricity, said the president's plan "to achieve cuts in greenhouse gases with little or no cost to Americans' pocketbooks could amount to little more than wishful thinking." He asked for the White House to spell out its details.

THE WALL STREET JOURNAL THURSDAY, OCTOBER 23, 1997

10/23

Clinton Offers 'Third Way' on Global Warming Issue (Washn) By Glenn Kessler and Earl Lane (c) 1997, Newsday

WASHINGTON President Clinton Wednesday unveiled a modest plan to combat global warming, offering enough immediate steps to placate many environmentalists, but putting off mandatory reductions in heat-trapping emissions for another decade to avoid riling U.S. industry.

As is often the case when Clinton attempts a ''third way'' on a divisive issue, his plan won at best lukewarm praise and some outright condemnation from environmentalists, business groups and lawmakers. European officials, who have proposed a much tougher plan in a global treaty due to be completed by the end of the year in Japan, accused Clinton of abandoning a previous pledge to reduce U.S. emissions to 1990 levels by 2000.

Under Clinton's plan, emissions would not have to return to 1990 levels until between 2008 and 2012, in effect putting off the day of reckoning from the end of Clinton's second term to after what Vice President Al Gore hopes is his second term.

The proposal which represents the United States' negotiating position in the global treaty talks emerged from weeks of acrimonious discussions within the administration, pitting ''greens'' (environmentalists) against ''browns'' (economists). Administration officials said that Clinton ultimately crafted a solution that took options from a variety of plans proposed by the competing factions.

Most climate scientists believe that rising worldwide temperatures from so-called greenhouse gases like carbon dioxide eventually will spark changes that will affect crops and sea levels. The gases are produced primarily from the burning of fossil fuels such as coal, oil and gas.

In a speech at the National Geographic Society outlining the plan, Clinton declared that the consequences of inaction would be ''destructive for America and for the world.'' But he also suggested that meeting his goals would be largely cost-free for consumers and industry.

''If we do it right, protecting the climate will yield not costs, but profits; not burdens, but benefits; not sacrifice, but a higher standard of living,'' Clinton said.

The president, acknowledging that he would face criticism for either doing too little or too much, devoted a substantial section of his speech recounting how both environmentalists and business groups have often been wrong about the perceived inadequacy of environmental initiatives and the cost of compliance. ''The lesson here is simple: Environmental initiatives, if sensibly designed, flexibly implemented, cost less than expected and provide unforeseen economic opportunities,'' Clinton asserted.

Other aspects of Clinton's plan include:

Offering $1 billion a year in new tax breaks to spur energy efficienc[y] and development of new technologies.

Developing an emissions trading program, beginning in 2008, among U.S. companies and among industrial nations to reduce costs of carbon reductions. It would allow a country or company that has exceeded its goals to sell credits to another entity that is not in compliance.

Providing incentives for industries that act to reduce emission even before 2008.

Promoting a massive restructuring of electric utilities, among the most wasteful energy producers. The proposal would reduce regulations on utilities to make them more efficient and use cleaner technologies.

Kathleen McGinty, chairwoman of the White House Council on Environmental Quality, argued that Clinton's plan would still reduce emissions by 28 percent from the current path by 2010. But the United States is currently 7.4 percent above 1990 levels and the goal[s] not say when the United States would actually begin to reduce emissions.

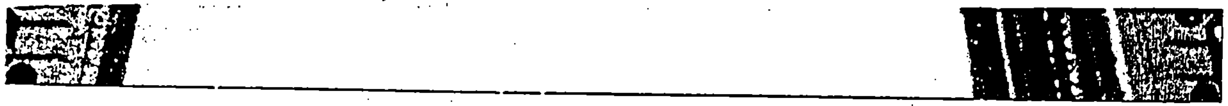
Some business groups decried the plan, saying it contained what they called stealth taxes and would wreck the economy. But Jerry Taylor, director of Natural Resource Studies at the Cato Institute, a libertarian think tank, said the plan was much less expensive than business should expect from a Democrat.

''It's the Clinton presidency in a microcosm: an elaborate, well-staged appearance of concern and action utterly lacking substance or merit,'' Taylor said. ''The president's legendary political instincts have, for the time being anyway, saved the economy from the environmentalist lynch mob.''

Most environmental groups were loath to condemn the plan, however. Annie Petsonk, an attorney with the Environmental Defense Fund who has been monitoring the treaty negotiations, said Clinton's proposal ''puts the U.S. in the middle of the negotiations rather than on the fringe.'' She predicted there will be ''a lot of posturing betwee[n] the U.S. and the Europeans'' in the coming weeks but said the Clinto[n] proposal will force the Europeans to reconsider their call for more radical emissions reductions.

Clinton did not say how the United States plans to ensure participation in the treaty by the developing nations.

Philadelphia Inquirer
10/23/97



Associated Press / REMY DE LA MAUVINIERE

Spectators watch from the Eiffel Tower as parachutists float by. The display, involving 75 parachutists and a dog, was staged yesterday to commemorate the first jump, by a Frenchman, 200 years ago. Andre-Jacques Garnerin achieved the feat from a hot air balloon over a nearby field on Oct. 22, 1797.

A law scheduled to be ratified tomorrow obliges theaters to earmark 3 percent of their seats for overweight people.

Buses will have to have at least one seat that is twice the width of the ones now used.

... hasn't gone to the theater for 2 years because it's too uncomfortable and because he was too embarrassed," Paz said.

The seats will now have to be at least three feet wide.

Clinton outlines plan to combat global warming

The proposal was short on specifics. Aides said it was only the first step in a complicated global process.

By Robert A. Rankin
INQUIRER WASHINGTON BUREAU

WASHINGTON — President Clinton presented a proposal yesterday to restrain global warming over the next century, a sweeping pledge that left many important details to be resolved.

Critics attacked the plan's lack of specifics, but White House aides said the President's promise to reduce air pollution to 1990 levels by early in the next century was only the first step in a long, complicated global negotiation.

Clinton's strategy offers no estimates of how much it might increase energy prices, no details on complex pollution-permit trading plans at its heart, and no specifics on what big developing countries such as China would be required to do.

Those missing details underscore the problems Clinton faces in winning cooperation from Congress. And U.S. obstacles are only the beginning, for Clinton's plan is the U.S. bargaining position for the global treaty to be negotiated by more than 150 nations at a conference, sponsored by the United Nations, in Kyoto, Japan, Dec. 1-10.

The plan's immediate focus is to challenge U.S. business and industry to prepare now for transition steps to a more energy-efficient future. Small steps now can yield big results 10 years down the road.

"It can't be ruled out that there could be some effect on energy prices," conceded Gene Sperling, head of Clinton's National Economic Council. The price impact will depend upon how successful the plan's voluntary initiatives turn out to be, he insisted.

Sperling dismissed critics' long-range estimates of price increases, saying: "If you want an econometric model to show something 13 years out, you can do anything you want. We clearly think that if this country mobilizes the right way, that we can get there without having a significant price increase."

Critics weren't buying such reasoning yesterday. Business groups assailed Clinton's plan as a prescription for economic disaster, while most environmentalists damned it with faint praise — or simply damned it.

"We regard this proposal as a one-way ticket to ship America's industrial capacity overseas," said U.S. Chamber of Commerce president Thomas J. Donahue.

"It's all pain and no gain," said Jerry Jasinowski, president of the National Association of Manufacturers.

Environmentalists were not much kinder.

"The President has shown some leadership, but not enough leadership to protect the planet," said John Adams, executive director of the Natural Resources Defense Council.

"This is the Black Wednesday for the climate negotiations," said Kalee Kreider, director of the Greenpeace USA climate campaign.

In his speech yesterday to the National Geographic Society, Clinton noted that Americans were only 4 percent of the global population but pumped out 25 percent of so-called greenhouse gases worldwide.

These are gases from industrial civilization — primarily carbon dioxide fumes from burning oil, coal and gas in cars, buildings and power plants — that are building up in the atmosphere in a way that traps the sun's heat.

Most scientists agree that this "greenhouse effect" will slowly raise the Earth's surface temperature over the next century, possibly resulting in rising sea levels that swamp coastal communities, spread tropical diseases, disrupt forests and agriculture, and spawn increasingly severe weather.

The President's strategy would:

- Require the United States and other major industrial economies to cut their greenhouse-gas emissions to 1990 levels, on average, between 2008 and 2012. In the following five years, emissions would go below 1990 levels, but the plan does not say by how much. Under business-as-usual policies, economic growth is expected to raise U.S. emissions by 28 percent above 1990 levels by 2010.
- Ask Congress to approve next year a $5 billion, five-year package of tax incentives to spur U.S. businesses to increase energy efficiency and to spend more on energy research and development.
- Offer next year a "bold plan" to restructure the U.S. electric utility industry to spur efficiency and cut emissions.
- Develop complex U.S. and global systems for market-based trading of pollution permits to encourage nations and businesses to seek least-cost methods of investing in new technologies that curtail gas emissions. The earlier that firms and nations act, the more credits they would get under the systems.

Netanya... criticized for remark

President's plan on global warming modest

By Terence Hunt
The Associated Press

WASHINGTON — In a decision falling short of environmentalists' hopes and his own promises, President Clinton presented a modest strategy yesterday to combat global warming by gradually reducing greenhouse gases over the next two decades.

"Make no mistake, the problem is real," the president said. "And if we do not change our course now, the consequences sooner or later will be destructive for America and for the world."

After months of fierce debate within the administration, Clinton announced a plan that for the first time embraces binding pollution curbs. But they are substantially below targets proposed by European nations and recommended by environmentalists.

And industry officials in Texas said rapidly growing areas will be hit hard by the plan's target levels.

The plan calls for reducing carbon dioxide and other heat-trapping gases to 1990 levels by the five-year period of 2008 to 2012. In the five years after that, the goal is to reduce emissions below the 1990 mark.

"Since it's a long-term problem requiring a long-term solution, it

(More on WARMING on Page 2)

Warming

From Page 1

will be phased in over time," Clinton said in a speech at the National Geographic Society headquarters.

Clinton's proposal came under swift attack at U.N.-sponsored talks among 150 countries seeking a consensus on mandatory cutbacks in greenhouse gases.

"Something much more substantial will need to come out of the White House if the United States is to face up to its global responsibilities," said Peter Joergensen, environment spokesman for the European Commission.

Greenpeace, the international environmental group, said, "This is the 'black Wednesday' for the climate negotiations."

Now meeting in Germany, the negotiators are struggling to reach a global climate agreement in time for a December conference in Kyoto, Japan.

Clinton also proposed $5 billion in tax breaks over the next five years to spur U.S. industry to adopt energy efficiencies and develop new technologies that would reduce America's reliance on fossil fuels — even before an international treaty goes into effect.

In the United States, many environmentalists complained that Clinton's policy is too weak, and many critics on the other side said it would raise energy prices and wipe out jobs.

"It's a minimum starting point. It will not go nearly far enough to get us out of harm's way," said John Adams, executive director of the Natural Resources Defense Council.

On the other hand, Wade Stansell, environmental program manager for TU Electric, which serves Fort Worth-Dallas, said, "I don't see how we can get there from here."

Not only will Texas be faced with returning to 1990 emission levels, it must also offset rises resulting from the state's rapidly growing population, Stansell said.

"This is going to severely hurt the economy of Texas and will really hinder any future economic growth," he said.

But Texas environmentalist Richard Fawal said postponing the cutbacks in emissions will cost huge amounts of money and many lives because of possible climate changes that could result.

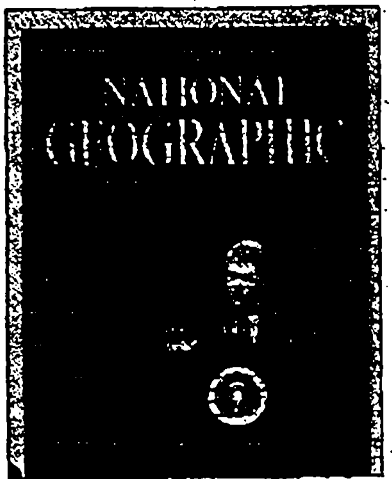
Global warming could bring increased droughts in some areas and flooding in others, especially in coastal cities like Galveston, said Fawal, outreach coordinator for the

The Dallas Morning News Thursday, October 23, 1997

Clinton unveils plan to combat global warming

Emissions cuts set over 15 years

By Susan Feeney
Washington Bureau of The Dallas Morning News



Associated Press

President Clinton discusses global warming Wednesday at the National Geographic Society in Washington.

WASHINGTON — President Clinton embraced the first-ever binding U.S. reductions in "greenhouse" gas emissions Wednesday, but his plan fell short of what environmentalists and European nations had hoped.

And some U.S. business groups — including many oil companies — said the policy for combating global warming went too far.

The president described his plan as a "sensible and sound" approach that would bring "meaningful reductions" in heat-trapping pollutants. And he said it would help rather than hurt the U.S. economy.

Mr. Clinton proposed reducing industrialized nations' carbon emissions to 1990 levels between 2008 and 2012. Burning of fossil fuels such as oil and coal cause most carbon emissions.

Such gases are suspected of trapping heat in the atmosphere, rais-

Please see CLINTON on Page 16A.

Continued from Page [illegible].

ing temperatures globally and potentially causing drastic climate changes. Industry groups have questioned the science that predicts such a crisis.

To curb emissions, Mr. Clinton would rely largely on existing technologies and $5 billion in federal tax incentives to businesses over the next five years.

The president's 15-year target is a step back from his 1993 pledge to reduce such emissions to 1990 levels by 2000.

"Regrettably, most of us, including especially the United States, fell short," Mr. Clinton said.

Current U.S. greenhouse emissions exceed 1990 levels by about 7.5 percent. If left unchecked, they would surpass 1990 levels in 2000 by 13 percent, administration officials said.

White House press secretary Mike McCurry defended the longer time frame to get back to 1990 levels.

"It would be unrealistic to attempt to reach — by the year 2000 — 1990 levels on emissions," he said. "It would most likely wreck the world economy if you attempted to do that."

The long-awaited presidential policy was issued as U.S. negotiators took part in talks in Bonn, Germany, on an international climate change treaty. The aim is to produce a final accord in early December in Kyoto, Japan.

"It is our solemn obligation," Mr. Clinton said, "to move forward with courage and foresight to pass our home on to our children and future generations."

European Union nations — which criticized Mr. Clinton's plan as "a big step in the wrong direction" — want the treaty to require 15 percent reductions below 1990 emissions levels as soon as 2005.

The White House explicitly rejected that plan Wednesday.

Mr. Clinton acknowledged that the United States has fewer than 5 percent of the world's population but generates 25 percent of its greenhouse gases. Still, he insisted that developing nations such as China — whose levels of emissions are expected to rise — must also commit to reductions.

The United States would not sign on to binding reductions if the developing world does not participate, Deputy Treasury Secretary Lawrence Summers said.

The resistance Mr. Clinton faces from the developing world was evident Wednesday in comments from the Chinese Embassy in Washington.

"We say the present situation is not the result of China's emissions," press counselor Yu Shuning said.

For his overall approach to global warming, Mr. Clinton took "a helping-hand approach rather than a heavy-hand approach," Mr. Summers said.

But the president predicted: "I know full well that some will criticize our targets and timetables as too ambitious. And, of course, others will say we haven't gone far enough."

Some environmentalists saluted the administration plan for quick incentives to business to reduce emissions and develop new clean technologies. Congress, however, must approve the plan for $1 billion a year over five years, beginning next fall.

The Senate would have to approve a global warming treaty.

Other environmentalists applauded the plan to begin in 2008 a domestic and international permitting process to regulate greenhouse gas emissions. A similar program, which allows the buying and selling of emissions capacity, is used to regulate acid rain emissions.

"On balance, it's moving in the right direction," said Michael Oppenheimer, chief scientist for the Environmental Defense Fund.

But he and others said the administration abandoned in the last 24 hours a promise to back reducing emissions to 5 percent below 1990 levels by 2017.

White House aides denied making any retreat. They said that the president backs additional but unspecified reductions after 2012.

John Passacantando, executive director of Ozone Action, an industry coalition favoring the president's plan, said the modest White House plan would not counter the potentially severe environmental fallout from global warming. Mr. Clinton and Vice President Al Gore have said they embraced the most dire predictions.

"Lincoln did not free half the slaves, Kennedy did not want to go halfway to the moon and Johnson did not move Rosa Parks to the middle of the bus," Mr. Passacantando said.

At the other end of the debate, the U.S. Chamber of Commerce — among those who question the science behind global warming predictions — said emissions permitting amounted to "energy rationing" and would drive up consumer costs.

An international treaty that does not include developing nations is "a one-way ticket to ship America's industrial capacity overseas," chamber president Thomas J. Donohue said.

The American Petroleum Institute noted the president's suggestion of $5 billion in business incentives, but said Mr. Clinton "volunteered nothing about where the money will come from. Is there a hidden tax in the works?" API said in a written statement.

The Global Climate Coalition, a group of business and trade organizations, said the president's plan "would damage the U.S. economy while producing no lasting environmental benefit."

Denver Post

Fighting global warming

OCT 23 1997

President says plan a boon for businesses

By John Warrick
and Peter Baker
The Washington Post

WASHINGTON — President Clinton pledged Wednesday to "harness the power of the free market" for an assault on greenhouse gas pollution, outlining a package of incentives and modest targets he says will counter global warming while allowing businesses to prosper.

Clinton released long-awaited details of his climate-change policy in a speech that drew skepticism internationally and condemnations from both ends of the U.S. political spectrum. But others praised the president for committing to a serious, if cautious, plan for addressing what many scientists see as the planet's greatest environmental threat.

"We must begin now to take out our insurance policy on the future," Clinton told about 400 invited government officials and guests at the National Geographic Society's headquarters. He said global warming "is real" and the "consequences, sooner or later, will be destructive for America and for the world."

Clinton outlined a strategy that beginning in 1998 would offer $5 billion in tax breaks and other incentives to U.S. companies to encourage rapid improvements in fuel efficiency and spur the development of new "clean-energy" technologies to reduce greenhouse gas emissions.

But the specific goals and timetables he proposed for cutting international emissions fall far short of what some scientists and many environmentalists say are needed. They also are considerably less ambitious than the proposals proffered by other industrial powers.

The president's plan calls for stabilizing the industrialized world's output of carbon dioxide and other greenhouse gases at 1990 levels between 2008 and 2012 — followed by further, unspecified reductions by the year 2017. The European Union, by contrast, favors limiting emissions at 15 percent below 1990 levels by 2010.

Talks are under way this week in Bonn, Germany, to try reach an agreement on an international plan to be signed in December in Kyoto, Japan. The treaty would set mandatory ceilings on emissions by nations around the world and impose penalties on countries that fail to comply.

A sharply contrasting proposal, presented formally Wednesday in Bonn by the developing countries and China, calls for the rich countries to cut their emissions by 7.5 percent below 1990 levels by 2005, 15 percent by 2010 and 35 percent by 2020.

An agreement in Kyoto, should one be reached, apparently lies somewhere between the two boundaries set by the United States and the Group of 77 Plus China, as the developing

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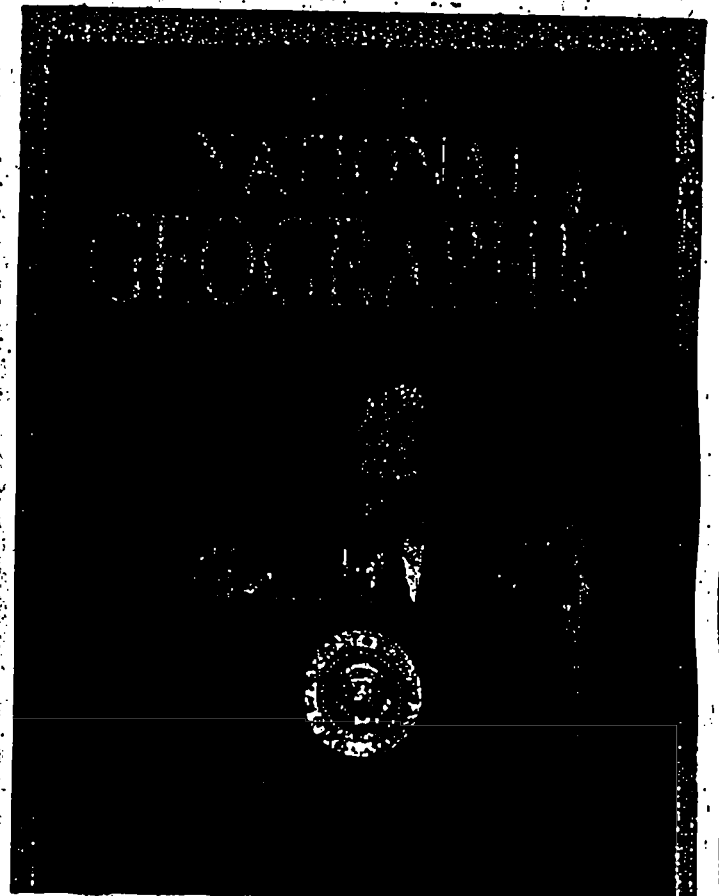

Knight-Ridder / Chuck Kennedy

President Clinton announces his global-warming plan at the National Geographic Society in Washington on Wednesday.

Global warming strategy unveiled

WARMING from Page 1A

countries call themselves.

Some business and labor groups say that even the relatively modest restrictions sought by Clinton would strangle their economic growth, raise energy prices and put millions of people out of work. But Clinton said his program would actually boost the economy by increasing efficiency and creating opportunities for new products and markets.

"If we do it right, protecting the climate will yield not costs, but profits, not burdens but benefits, not sacrifice, but a higher standard," he said.

White House officials portrayed the policy as "bold" and a "win-win," saying the tax breaks, flexible guidelines and other inducements would minimize the negative impact on industry and result in deep reductions in pollution before the mandatory limits even kick in.

Officials said the plan does not mandate any increase in energy costs, but they acknowledged that prices for gasoline and other fuels could rise.

The administration released no economic analyses showing what effect binding targets might have, saying it is virtually impossible to predict the effects 13 years into the future.

But congressional and industry opponents of the proposed international climate treaty said Clinton's proposed "cure" would be far worse than the disease — if global warming is indeed a threat at all. A coalition representing oil companies, electric utilities, automobile manufacturers and farm groups has launched a multimillion-dollar advertising campaign to generate opposition to a treaty in Kyoto.

"The Clinton-Gore global climate plan threatens the quality of life for all Americans," said U.S. Rep. James Sensenbrenner, R-Wis. He said the restrictions would result in higher energy prices for working Americans and send U.S. jobs overseas."

But some business groups — especially those representing the insurance industry and alternative energy technologies — praised the president's plan and called for even bolder cuts.

More than a dozen senior executives representing such companies as Nike, Bechtel Group and Mitsubishi Motor Sales have endorsed a newspaper ad running this week that calls for "strong leadership" by the United States on climate change.

Reaction among environmental groups was mixed.

Several mainstream groups that were prepared to applaud the president's package were disappointed when the final details became public.

"The air went out of the balloon," said John Adams, executive director of the Natural Resources Defense Council.

The New York Times contributed to this report.

Associated Press / Philip Bari

Demonstrators build a dinosaur out of old car parts and oil barrels outside of the U.N.'s Climate Convention in Bonn, Germany, on Wednesday to protest the use of fossil fuels.

Battle Stage Is Set

Clinton Proposal on Global Warming Defines Issue for Rich and Poor Alike

By WILLIAM K. STEVENS

News Analysis

BONN, Oct. 22 — After two years of struggle over what to do about global warming, the Clinton Administration and the developing countries in the global game of greenhouse politics have put their cards on the table, and negotiations have at last begun in earnest.

The talks "have come alight, and not a moment too soon," said Michael Zammit Cutajar of Malta, the executive secretary of the United Nations body that administers the 1992 treaty on climate change.

Delegates from 150 countries are gathered here to discuss possible revisions to the treaty, in the last of eight negotiating sessions leading up to a final session in Kyoto, Japan, in December.

The American plan, announced today by President Clinton in Washington, represents the low-ball bid. Mr. Clinton called for stabilizing industrialized countries' emissions of heat-trapping gases at 1990 levels by about 2010, with a modest reduction below 1990 levels by about 2020.

A sharply contrasting proposal, presented formally today by the developing countries and China, calls for the rich countries to cut their emissions by 7.5 percent below 1990 levels by 2005, 15 percent by 2010 and 35 percent by 2020.

An agreement in Kyoto, should one be reached, apparently lies somewhere between the two boundaries set by the United States and the Group of 77 Plus China, as the developing countries call themselves.

With today's announcements, the negotiating "universe" has been firmly delineated for the first time.

Under the 1992 treaty, the developing countries are explicitly exempted from undertaking any specific commitments, and they have steadfastly maintained that they will not agree to do so unless the rich nations demonstrate convincingly that they are serious about taking the lead. The rationale is that since the industrialized countries are the biggest emitters of the gases and got rich by emitting them, they should take the first steps toward reduction.

While agreeing that the developed countries should take the lead, President Clinton reasserted today the United States position that the poorer countries must be part of any negotiated solution.

The poorer countries' emissions are expected to exceed those of the developed world within two or three decades. Two of the largest of them, China and India, have abundant reserves of coal, the most troublesome fossil fuel in terms of emitting heat-trapping, or greenhouse, gases. Global warming occurs when such gases, chiefly carbon dioxide, accumulate in the atmosphere. Carbon dioxide is produced by the burning of coal, oil and natural gas, the energy underpinnings of the global economy.

But the United States is the world's major producer of greenhouse gases, and the American proposal has been deemed critical for the success of the talks. For two days, the delegates gathering at the Beethoven Halle opera house on the Rhine have been anxiously awaiting the American proposal.

As details began filtering out of Washington, some reactions were predictable. An important delegate from the European Union, which favors a 15 percent reduction in emissions by 2010, said he "looked at the figures, and. . . ." He made a dismissive gesture.

But some industry representatives considered the proposal quite ambitious. "This will be a tremendous cut," said Gail McDonald, president of the Global Climate Coalition, an industry group in Washington. "It's a very aggressive target."

To Raul Estrada-Oyuela of Argentina, the chairman of the Bonn talks, the Clinton proposal was "really modest; we were waiting for a bigger effort." But, he said tonight after watching Mr. Clinton's speech outlining the proposals, "it's encouraging that the President of the United States takes the issue so seriously."

To some delegates, the American proposal looked puny because the 1992 treaty already obligates rich countries to aim at capping emissions at 1990 levels in 2000. Instead, United States emissions in 2000 are expected to be 13 percent higher than they were in 1990. Some European Union officials say the Europeans as a group will meet the goal.

"It seems to me that the United States proposal is even less" than what was originally contained in the treaty, since it would delay the 1990 stabilization goal by 10 years, said Dr. Mark Mwandosya of Tanzania, the chairman of the developing country caucus in the talks.

But there is another way of looking at what the American proposal would mean. Even before its features were known, Mr. Zammit Cutajar had pointed out that 1990 was not a magic number. The way to measure a proposal, he said, is by gauging what it would actually mean in emissions terms. By that standard, the United States would reduce its emissions about 25 percent from where it would otherwise be around 2010, the Administration said.

"It would be, admittedly," said Dr. Mwandosya, especially since the United States is the biggest emitter of carbon dioxide in the world. "But is it enough to pull the rest of the world toward stabilization of concentrations? I don't think it is." Others noted that the United States target and timetable would require countries already below or approaching 1990 levels to do little or nothing.

Everyone agrees that it will eventually be necessary to reduce emissions well below 1990 levels if concentrations of greenhouse gases in the atmosphere are to be stabilized. This is because 1990 levels were already too high; the overall concentration of gases in the atmosphere keeps going up at that level of emissions.

TARGET

Global Warming

Each faction's proposals to limit worldwide emissions of gases that cause global warming

UNITED STATES
Return yearly average omissions to 1990 levels between 2008 and 2012, and reduce emissions after that.

DEVELOPING COUNTRIES AND CHINA
Cut emissions 7.5 percent below 1990 levels by 2005, 15 percent by 2010 and 35 percent by 2020.

EUROPEAN UNION
Cut emissions 7.5 percent below 1990 levels by 2005 and 15 percent by 2010.

ALLIANCE OF SMALL ISLAND STATES
Cut emissions 20 percent below 1990 levels by 2005.

JAPAN
Return yearly average emissions to 1990 levels between 2008 and 2012. (This target could be lowered for individual countries.)

The New York Times

The New York Times

THURSDAY, OCTOBER 23, 1997

PREC: RUSH CLASS: INTERNATIONAL DOCID: R0038154

FM: Reuters

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^BC-CORRECTED - ENVIRONMENT-CANADA (CORRECTED)

^CORRECTED - Snowy Canada dithers on global-warming policy

In OTTAWA story headlined ``Snowy Canada dithers on global-warming policy'' please read in the first paragraph ...only major industrialized nation... instead of ...only one in a major industrialized nation... (drops extraneous words)

A corrected story follows.

By Randall Palmer

OTTAWA, Oct 23 (Reuters) - Canada's government drew fire on Thursday from environmentalists and opposition politicians for being the only major industrialized nation not to announce how it proposes to attack the greenhouse effect.

The Liberal government, which likes to wave its green colors in official pronouncements, is caught in a bind between ecologists demanding action and an energy industry and business community reluctant to slow the economy.

And as snow has already blanketed much of the country just one month into autumn, it will be difficult to persuade Canadians that a little more warmth and winters shorter than six or seven months would be a bad thing.

But with President Bill Clinton having announced on Wednesday the U.S. position on how to limit greenhouse gases, adding to earlier announcements by Japan and the European Union, Canada's hedging has become more noticeable.

``It is time for the Liberals to show some leadership on the issue and come forward with their proposals,'' Bill Gilmour, environment critic for the opposition Reform Party, said.

Many, though not all, scientists believe greenhouse gases like carbon dioxide -- given off when coal, oil and gas are burned -- will make the earth warm up, potentially shortening winters but also causing floods, fires, droughts and other costly problems.

Canada's ministers -- stung by having blown greenhouse gas targets agreed to at the 1992 Earth Summit in Rio de Janeiro -- say they want to think the issues through very carefully before committing the country in December in Kyoto, Japan, to new, legally binding targets.

Canada agreed then to cut its emissions to 1990 levels by 2000, but by 1996 levels were already 10.5 percent above 1990.

``When we made our commitment in Rio in 1992, we really weren't aware enough of what we had to do in order to achieve our targets,'' Environment Minister Christine Stewart said on Wednesday. ``We weren't realistic at the time.''

She hinted in a television interview that she might be able to go along with Clinton's new timeframe of reaching 1990 levels by between 2008 to 2012.

She and Natural Resources Minister Ralph Goodale -- the most methodical member of the Cabinet -- have been hashing out the government's policy with industry and the country's notoriously obstreperous provinces.

Robert Hornung of the environmental think tank Pembina Institute said that behind a facade of unity, Stewart and Goodale were at odds, the former promoting action and the latter resisting it.

``We haven't had any leadership from the top in terms of the prime minister putting a hammer down and saying, 'We've got to take a position on this,'" Hornung said.

``The prime minister has to get engaged," Conservative leader Jean Charest told reporters on Wednesday.

Prime Minister Jean Chretien, who like former U.S. President Ronald Reagan often does not pay close attention to policy detail, has been in Russia and Britain since last week.

Even the effort to prevent francophone Quebec from leaving Canada has figured in the debate, with suggestions being made that Ottawa cannot expect as much cooperation from the provinces on that issue if it rams its proposals through.

Canada's main energy-producing province, free-enterprise Alberta, has made clear to the media its opposition to binding targets, though Stewart says the government has not told her directly. The Liberals are painfully aware of their tenuous hold in the province, with just two of 26 parliamentary seats.

Hornung thinks the government must also provide salesmanship to convince the population that climate change actually will cost Canada -- in addition to the potential disasters from floods, for example, in other countries.

He said Canadian coniferous forests, for instance, could be lost if they could not migrate northward as fast as the warmer weather. Southern agriculture may have to adjust to less water, he noted, and permafrost in the far north could put everything from building foundations to oil pipelines at risk.

^REUTERS

RB-- 10/23/97 21:41:00

President Plans Energy Savings In a Moderate Step on Warming

Offers Tax Credits and Money for Research, but Delays Goal

A1

By JOHN H. CUSHMAN Jr.

WASHINGTON, Oct. 22 — President Clinton today outlined a moderate program to fight global warming, saying that it would be painless and even economically beneficial but that it must be carried out quickly to be effective.

The plan would rely on tax credits and research subsidies to encourage the conservation of energy in the next few years. It would also give American companies extra credit for moving more quickly than required to cut their emissions of atmospheric pollutants that trap the sun's heat and threaten to alter the planet's climate. But it would not reduce emissions to the 1990 benchmark until some time between 2008 and 2012. Further, unspecified reductions would follow.

"We have a clear responsibility and a golden opportunity to conquer one of the most important challenges of the 21st century, the challenge of climate change, with an environmentally sound and economically strong strategy," Mr. Clinton said in a speech at the National Geographic Society here. "If we do not change our course now, the consequences, sooner or later, will be destructive for America and for the world."

But the plan was quickly denounced by many of the other nations that are trying to negotiate a new climate treaty. At a negotiating session in Bonn, they said that as the largest single emitter of heat-trapping, or greenhouse, gases, the United States should be doing more and doing it sooner. [Page A14].

In the negotiations, parties to the 1992 treaty on climate change that was signed by 160 nations in Rio de Janeiro are seeking to strengthen its terms. The treaty called on industrial nations to cut their emissions to 1990's levels by the year 2000. Most

Continued on Page A20

Continued From Page A1

industrial nations, including the United States, are falling short of that target, and Mr. Clinton's plan defers it for many years.

Under the Clinton Administration's plan for meeting the new targets of a binding treaty, the United States Government would wait until 2008 before fully establishing fixed caps on industrial sources of greenhouse gases, mainly the carbon dioxide that comes from burning fossil fuels. And only then, consequently, would energy prices have to increase to reflect the costs of mandatory emission reductions.

The Administration, in effect, is laying a heavy bet that innovation and the free market, driven by a few billion dollars of tax incentives and subsidies, will drive down fuel use in the next few years without causing any serious economic disruption. This approach would therefore demonstrate the feasibility of deeper reductions that would come later.

Stephen Crowley/The New York Times

The President said his plan would "uphold our leadership abroad."

Mr. Clinton, who since his first campaign for the Presidency has pledged aggressive action to fight global warming and who criticized President George Bush for not supporting the 1992 Rio treaty on climate change, found himself the target of the same kind of criticism today, but from other countries.

"It seems to me that the United States proposal is even less" than what was originally in the treaty, said Dr. Mark Mwandosya of Tanzania, the chairman of the developing-countries' caucus in the talks.

But Mr. Clinton described his strategy as "realistic and effective."

"This plan is sensible and sound," he said, acknowledging the criticisms that erupted even before he began to speak. "Since it's a long-term problem requiring a long-term solution, it will be phased in over time. But we want to get moving now."

The President emphasized his optimism about technology as he stood framed by the National Geographic Society's logo, as an explorer might be pictured on the cover of the National Geographic magazine, and not a President defending a position attacked by environmental groups.

His plan, he promised, would "create a wealth of new opportunities for entrepreneurs at home, uphold our leadership abroad, and harness the power of free markets to free our planet from an unacceptable risk."

He said that even before a new treaty was negotiated and ratified, the United States would take new steps to put itself on an energy diet with a prescription that in the next few years would emphasize incentives, subsidies, Federal procurement policies and rewards for those who move the fastest to adopt promising new technologies.

The proposal is less ambitious than the approaches sought by Japan, Europe or many developing countries to control the buildup of heat-trapping gases like carbon dioxide in the atmosphere. They all want the industrial nations to agree to deeper and earlier cuts in a new treaty that is supposed to be concluded in Kyoto, Japan, in December.

Mr. Clinton also declared that the United States would not accept binding commitments negotiated in Kyoto unless important developing countries also agreed to join the worldwide effort to reduce emissions.

Most environmental organizations denounced the Clinton plan as too weak, although some praised the President's call for early actions. Most big industry groups rejected the plan as too costly, although some said they liked the incentives it promoted.

"The United States is the only country dragging its feet," said Phil Clapp, the executive director of the Environmental Information Center, an advocacy group. "Unless he is willing to take a stronger position in Kyoto, the Clinton-Gore Administration will be responsible for the collapse of the talks."

But Michael Oppenheimer, senior scientist at the Environmental Defense Fund, said: "For the first time there is a good chance for a constructive outcome at Kyoto. One of the major defects in the plan is that it is not aggressive enough in the longer term. But the early reductions are extremely important, because they could get U.S. emissions under control. Emissions are basically exploding at this point."

Thomas J. Donohue, the president of the United States Chamber of Commerce, said his business federation would oppose the proposed emission-trading scheme that is at the heart of the Administration's plan.

"Capping emissions amounts to energy rationing, which drives up consumer costs as effectively as higher energy taxes," Mr. Donohue said.

But Michael Marvin, the executive director of the Business Council for Sustainable Energy, said, "It is what we have advocated from the beginning: clear, modest steps to get us back to 1990."

Mr. Marvin, whose group represents companies including appliance manufacturers and purveyors of clean fuels, renewable energy, and conservation technologies, added: "It is an important step. In an ideal world, we would have argued for an earlier timetable earlier. But this puts the U.S. in the ball park and is a defensible, negotiable position."

Like the targets and timetables that Mr. Clinton proposed, the package of incentives is relatively modest. The $5 billion in tax cuts and research subsidies over five years would amount to a bit more than a penny per hundred dollars of economic activity — $1 billion annually in a $7 trillion economy. Looked at another way, it would be enough to give every citizen an annual rebate covering one-fourth of the cost of a high-efficiency light bulb.

Any treaty would require approval from two-thirds of the Senate, and some elements of Mr. Clinton's plan would have to be written into law by Congress, where there is considerable resistance to his approach.

The New York Times
THURSDAY, OCTOBER 23, 1997

Clinton Outlines Global Warming Plan

Market Incentives, Cautious Targets Draw Critics From Left and Right

A1

By Joby Warrick and Peter Baker
Washington Post Staff Writers

President Clinton pledged yesterday to "harness the power of the free market" for a multipronged assault on greenhouse-gas pollution, outlining a package of incentives and modest targets he says will counter global warming while allowing businesses to prosper.

Clinton released long-awaited details of his climate change policy in a speech that drew skepticism abroad and condemnations from both ends of the U.S. political spectrum. But others praised the president for committing to a serious, if cautious, plan for addressing what many scientists see as the planet's greatest environmental threat.

"We must begin now to take out our insurance policy on the future," Clinton told about 400 invited government officials and guests at the National Geographic Society. He said global warming "is real," and the "consequences, sooner or later, will be destructive for America and for the world."

Clinton outlined a strategy that beginning in 1998 would offer $5 billion in tax breaks and other incentives to U.S. companies to encourage rapid improvements in fuel efficiency and spur the development of new "clean-energy" technologies to reduce greenhouse gas emissions. He also called for an international emissions trading system that would earn credits for companies that cut pollution, and he promised further reductions under an ambitious restructuring of the electric utilities industry.

But the specific goals and time-

See WARMING, A6, Col. 1

WARMING, From A1

tables he proposed for cutting international emissions fall far short of what some scientists and many environmentalists say are needed. They also are considerably less ambitious than the proposals proffered by other industrial powers.

The president's plan calls for stabilizing the industrialized world's output of carbon dioxide and other greenhouse gases at 1990 levels between 2008 and 2012—followed by further, unspecified reductions by 2017. The European Union, by contrast, favors limiting emissions at 15 percent below 1990 levels by 2010.

Talks are underway this week in Bonn, Germany, to try reach an agreement on an international plan to be signed in December in Kyoto, Japan. The treaty would set mandatory ceilings on emissions by nations around the world and impose penalties on countries that fail to comply.

Some business and labor groups say that even the relatively modest restrictions sought by Clinton would strangle the economic growth, raise energy prices and put millions of people out of work. But Clinton said his program would actually boost the economy by increasing efficiency and creating opportunities for new products and markets.

"If we do it right, protecting the climate will yield not costs, but profits, not burdens but benefits, not sacrifice, but a higher standard of living," he said.

White House officials portrayed the policy as "bold" and a "win-win," saying the tax breaks, flexible guidelines and other inducements would minimize the negative impact on industry and result in deep reductions in pollution before the mandatory limits even kick in.

Officials said the plan does not mandate any increase in energy costs, but they acknowledged that prices for gasoline and other fuels could rise. The administration released no economic analyses showing what impact binding targets might have, saying it is virtually impossible to predict the effects 13 years into the future.

But congressional and industry opponents said Clinton's proposed "cure" would be far worse than the disease—if global warming is indeed a threat at all. A coalition representing oil companies, electric utilities, automobile manufactures and farm groups have launched a multimillion dollar advertising to generate opposition to a treaty in Kyoto.

"The Clinton-Gore global climate plan threatens the quality of life for all Americans," said Rep. F. James Sensenbrenner Jr. (R-Wis.). He said the restrictions would "result in higher energy prices for working Americans and send U.S. jobs overseas."

But some business groups—especially those representing alternative-energy technologies—praised the president's plan. "This is a measured, appropriate action plan, given what we know about global warming," said Terry Thorn, senior vice president of Enron Corp. of Houston.

More than a dozen senior executives representing such companies as Nike Inc., Bechtel Group Inc. and Mitsubishi Motor Corp. have endorsed a newspaper ad running this week that calls for "strong leadership" by the United States on climate change.

Reaction among environmental groups was mixed. Several mainstream groups that were prepared to endorse the president's package were deeply disappointed when the final details became public. "The air went out of the balloon," said John Adams, executive director of the Natural Resources Defense Council.

"The president has recognized that the global warming train is bearing down on the planet. But the policy announced today will not go nearly far enough to get us out of harm's way," Adams said.

The proposal falls short of the goals that Clinton outlined in 1993, when he called for voluntary cuts in greenhouse gas emissions to 1990 levels by 2000. The administration says that goal is not longer possible because the economy has grown more rapidly than expected.

Some environmentalists said the incentives for immediate cuts in greenhouse gases in the new proposal more than atoned for any shortcomings in the proposed pollution ceilings and timetables.

"The president's proposal puts the United States in the thick of the negotiations rather than on the fringe," Michael Oppenheimer, an atmospheric physicist with the Environmental Defense Fund. "For the first time there is a good chance of a constructive outcome at Kyoto."

Still, with less than two months remaining before the Kyoto conference, the administration faced a difficult task in closing the gap between its proposals and those of its European and Japanese allies.

Administration officials found little encouragement in a new proposal by developing countries, which yesterday called for cuts even more ambitious than the Europeans'—while essentially exempting themselves from any binding limits in the near future.

A statement by the "Group of 77" countries in Bonn sought commitments from wealthier nations for a 35 percent reduction in greenhouse gases by 2020. It said poorer countries should be compensated for economic hardships that might result from efforts by the West to cut pollution at home.

Clinton, in his speech yesterday, said the United States would insist on participation by developing countries as a condition for signing any global treaty on greenhouse gases. But he gave no specifics.

"Exactly what participation will mean is obviously what our guys are going to be doing in Kyoto," said White House economic adviser Gene Sperling.

FOR MORE INFORMATION

To read recent remarks from White House officials on global warming, click on the above symbol on the front page of The Post's Web site at www.washingtonpost.com

The Washington Post
Thursday, October 23, 1997

10/23/97 -----

Clinton Outlines U.S. Plan to Combat Global Warming (Washn) By Elizabeth Shogren (c) 1997, Los Angeles Times

WASHINGTON President Clinton urged Americans Wednesday to join him in undertaking the most ambitious ``environmental mission" in history, outlining a series of steps he wants the United States to take in advance of an international accord to combat global warming.

To make sure the country does its part to stabilize greenhouse gas emissions, Clinton announced plans to reward companies that reduce harmful emissions ahead of schedule, encourage energy efficiency with $5 billion in tax breaks and research and development, and develop a trading system that would allow companies that reduce pollution to profit by selling their leftover emission allotments to others.

In a strongly worded speech delivered at the National Geographic Society, the president warned the nation that failure to move aggressively would put the nation and world in peril.

``Many previous threats posed clear and present danger: global warming is far more subtle, warning us, not with roaring tanks or burning rivers, but with invisible gases, slow changes in our surroundings, increasingly severe climatic disruptions that, thank God, have not yet hit home for most Americans." Clinton said. ``But make no mistake. The problem is real, and if we do not change our course now, the consequences, sooner or later, will be destructive for America and for the world."

At the same time, Clinton announced the long-awaited U.S. position on a proposed international treaty on global warming. In international negotiations ongoing in Bonn, Germany, the United States will seek binding commitments from all industrial nations to reduce their emissions of carbon dioxide, methane and nitrous oxide to 1990 levels during the five-year period between 2008 and 2012. He called for further unspecified reductions in the following five-year period. Current emissions are 7.5 percent above 1990 levels.

Environmental groups, which wanted the administration to set an emission target of 5 percent below 1990 for the second five-year period, criticized the president's effort as too modest.

``Unless we get a stronger deal in Kyoto, we will be passing this burden on to future generations," said Alden Meyer, director of government relations at the Union of Concern Scientists, referring to the Japanese city where international negotiators will draft a treaty in December.

Many representatives of business groups, meanwhile, warned that the president's proposal could starve the American economy.

``A 1990 level is a harsh level to meet and it acts like a vise" on economic growth, said Gail McDonald, chief representative of the Global Climate Coalition, which includes such major industrial and manufacturing concerns as automakers and power utilities.

Business groups criticized Clinton for not providing an economic analysis of his proposals or spelling out how American industry could grow while cutting emissions.

``He did not define how we are going to go on this strict energy diet that will be required to reach the 1990 levels of emissions," said Andrew H. Card, president and CEO of the American Automobile Manufacturers Association. ``Will it be energy rationing, energy taxes, or a combination of both?"

While Clinton said the United States will not accept binding restrictions unless key developing nations agree to ``meaningfully participate," business leaders criticized him for not demanding full participation of the developing world.

``If it's not global it won't work, and if it's not global, it will put us at a competitive disadvantage and will hurt American jobs," Card added.

However, another coalition of businesses said the president's plan is reasonable.

``These targets are extremely modest targets," said Michael Marvin of the Business Council for Sustainable Energy, whose hundreds of business members include Southern California Gas. ``The average consumer will not recognize the effects of this," he said.

Noting that the president's proposal ``is being pummeled by the environmental community for being too weak and ... harangued by the more traditional business community for being too strong," Marvin said this ``probably means you've got a good compromise position."

As Clinton spoke, international negotiators in Bonn were trying to narrow their differences before the Kyoto conference.

Complicating the American effort, the large bloc of developing nations voiced general support Wednesday for the European Union's call for a 15 percent reduction in emissions. In all, about 150 nations have lined up behind the European proposal, while two others the United States and Japan, which has proposed a 5 percent cut are standing apart.

But ``it's hard to overestimate the importance of the U.S. position because" it spews 25 percent of the world's greenhouse gases, said Jennifer Morgan, who is monitoring the Bonn negotiations for Climate Action Network, a U.S. environmental group. Thus, the impact of any global warming treaty to which the United States has not agreed would be severely limited.

The unveiling of the U.S. position was a crucial step in the talks. For two years, the administration has essentially put the talks on hold, saying it needed to analyze additional climate data before determining its favored course.

Now, mid-level negotiators have barely a week in Bonn to narrow their differences before sending the issue to Kyoto.

Officials said crucial details remain to be decided: The structure of the tax incentives, the size of emissions reductions below the 1990 level, and the role for the developing world.

Miami Herald 10/22/97

Clinton will seek tax incentives to curb global warming

By ROBERT A. RANKIN
Herald Washington Bureau

WASHINGTON — After months of delay and administrative infighting, President Clinton intends to propose today a flexible target date and a package of tax incentives to curb global warming.

He is expected to call for reducing emissions of so-called "greenhouse" gases to 1990 levels by approximately 2010. The target date will be presented within a range such as between 2008 and 2012 to permit flexibility, according to environmental and industry officials familiar with the plan.

The terms, sure to be criticized by both environmental and business groups, are the long-awaited centerpiece of the program Clinton intends to offer as a negotiating position at a global warming conference Dec. 1-10 in Kyoto, Japan.

The United Nations-sponsored conference of more than 150 nations is designed to produce a worldwide treaty aimed at slowing the climate-change trend that scientists say is slowly heating the planet.

To begin cutting U.S. gas emissions that are partly responsible for global warming, the president also is expected to ask Congress today for a package of tax incentives totaling around $5 billion to promote energy efficiency in appliances, homes and buildings; to push deregulation of electric utilities in ways that encourage reduction of carbon-dioxide emissions from power plants; and to accelerate research and development of more fuel-efficient autos, perhaps by ordering fuel cell-powered cars for the federal fleet.

Clinton also will call for a worldwide system of tradable pollution permits to encourage rich nations to invest in energy efficiency in poor countries.

Key details of Clinton's plan remained under internal debate Tuesday, but it is certain to provoke controversy on all sides.

Environmentalists say his plan is too weak to prevent a potential climate disaster from slowly engulfing the planet over the next century.

In contrast, industrialists say meeting such emission-control targets could cripple the economy, raise energy prices and destroy many jobs.

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Transcript

DATE October 22, 1997
TIME 7:00-7:30 PM (ET)
NETWORK CBS-TV
PROGRAM CBS Evening News

Dan Rather, anchor:

Good evening. President Clinton is out with long-awaited plans to reduce the potential threat from global warming. They include gradual cuts in greenhouse gases mostly emitted by industry--far less drastic cuts than originally planned. Reactions tonight from environmentalists and industry are equally heated over whether the real threat is catastrophic. Climate change or catastrophic change for the economy? CBS News White House correspondent Scott Pelley reports.

Scott Pelley reporting:

Today the United States, the world's number one air polluter, proposed mandatory limits on the gases that apparently drive global warming. But the proposal announced by the president is a much slower approach than he promised in the past.

President Bill Clinton (Democrat, United States): The problem is real, and if we do not change our course now, the consequences sooner or later will be destructive for America and for the world.

Pelley: Scientists are already measuring the destruction, from floods in American valleys to vanishing ice on world peaks. Last week, the president heard fresh evidence in Southern Argentina and we stopped to take a look.

It's up here near the roof of Patagonia that you can see some of the best evidence that the world is warming. The glacier on the peak behind me and all the other glaciers of the Andes have been shrinking. They're down four percent in just the last four decades. In fact, it is happening all around the world. The earth's glaciers have been receding at an increasing pace over the last one hundred years. Look at this dramatic change. This was Washington state's Cascade glacier in 1928. This is the glacier in 1993. Nearly a mile of it is gone.

Tom Karl (National Climatic Data Center): There's no question. Temperatures are getting warmer. Temperatures have averaged about one or two degrees Fahrenheit warmer in many of the mid and high latitudes of the Northern Hemisphere. We see increase in temperature both in the ocean, over land. We see greater increase in temperature at night compared to the daytime.

Pelley: Some scientists believe the warming is natural, part of a century's-old cycle. But it is clear that pollution, at least, hastens the trend. Fumes from this morning's rush hour will linger for one hundred years.

Still, the plan announced today is a compromise, far from Mr. Clinton's commitment in 1993.

Clinton (From 1993 clip): Today I reaffirm my personal and announce our nation's commitment to reducing our emissions of greenhouse gases to their 1990 levels by the year 2000.

Pelley: Now he is asking for 1990 levels by the year 2012 and unspecified reductions later. To get there, he wants tax breaks for companies to buy or create energy-efficient equipment. Despite worrisome evidence around the world, the president decided that his earlier plan to cut fossil fuels would stall the economy.

Europe wants cuts that are three times bigger than the president proposes. Negotiators are now trying to come up with a worldwide agreement. But it's not likely that the U.S. will budge from its new middle-of-the-road course. Dan.

Rather: Thanks, Scott.

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Transcript

DATE October 22, 1997
TIME 7:00-7:30 PM (ET)
NETWORK NBC-TV
PROGRAM NBC Nightly News

Tom Brokaw, anchor:

This promises to be one of the most important arguments of the decade: If the earth's climate is heating up, what can be done about it and what will the cost be in jobs and productivity? President Clinton today joined that debate and managed not to satisfy the environmentalists or the industrialists. NBC's David Bloom tonight at the White House on round one. David.

David Bloom reporting:

Indeed, Tom, this is just the beginning of a fight over global warming, its causes and its consequences, a fight that the president today said was an environmental challenge larger than any America has ever faced.

Warning of destructive consequences unless the United States and other countries drastically cut so-called greenhouse gas emissions, the president said today he'll commit the U.S. to gradually reducing air pollution from cars, factories and power plants despite dire predictions from industry about sharply higher energy prices and massive job losses.

President Bill Clinton (Democrat, United States): If we do this properly, we will not jeopardize our prosperity; we will increase it.

Bloom: The goal is to stop global warming, which some scientists predict could flood American cities, such as Washington, D.C., and south Florida if the oceans rise just three feet. The president's plan includes five billion dollars in tax incentives to encourage energy efficiency. The aim: cut carbon dioxide emissions--which keep rising--cut them more than twenty-five percent over the next fifteen years. But environmentalists warn even that is not enough.

Dan Becker (Sierra Club): The administration's plan is like fighting a five-alarm fire with a garden hose. It won't work, and it won't protect our kids.

Bloom: But don't tell that to Bob Murray (sp), who today warned some of his eleven hundred coal miners about the likely consequences for them if the U.S. signs a global warming treaty later this year.

Bob Murray (Coal Miner): The first people that will lose their jobs are the American coal miner (sic), in addition to the loss of 1.7 million jobs in the fossil fuel and related industries.

Bloom: But the president and some business groups argue that this will save jobs and cut pollution. Of course, the White House knew that no one would be happy with today's announcement. In fact, no one was. Tom.

Brokaw: Thanks. David Bloom at the White House tonight.

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Transcript

DATE October 22, 1997
TIME 6:30-7:00 PM (ET)
NETWORK ABC-TV
PROGRAM World News Tonight

Peter Jennings, anchor:

Good evening. We're going to start tonight with a presidential decision that we knew and he knew was going to be criticized in some measure by just about everyone: President Clinton's announcement today about how to deal with the change in the world's climate, which the overwhelming majority of scientists now agree is being caused by man. The White House has now signed on to a gradual approach for reducing the pollution which we are spewing into the atmosphere. Many scientists think the problem is much more urgent, and a significant chunk of American industry still insists that some of the proposals to reduce the gases will do harm to the U.S. economy.

Into this supercharged mix of opinions, here is our White House correspondent John Donvan.

John Donvan reporting:

Peter, if this plan goes forward, it could affect virtually every American who uses electricity or drives a car. What the White House does not know is how much it's going to cost. The president's proposal means turning back the clock over the next dozen years to reduce greenhouse gas emissions to the levels of 1990.

President Bill Clinton (Democrat, United States): The problem is real, and if we do not change our course now, the consequences sooner or later will be destructive for America and for the world.

Donvan: The president is committing the country to targets that will be difficult to achieve. Power plants will have to switch from coal to some cleaner fuel; cars will have to burn gasoline much more efficiently and cleanly. All this to reduce greenhouse gases, which are believed to be raising the earth's temperature and changing the climate.

What the president is proposing to do by the end of the next decade he had earlier promised to do by the end of this one. And no one will be entirely pleased. European allies want bigger reductions from the U.S. Americans environmentalists also demand more.

Les Brown (Worldwatch Institute): In one word: pathetic. It's just not responding to the problem.

Donvan: On the other hand, American industry worries that even doing this much could seriously damage the U.S. economy. White House aides admit they don't know what the costs of cleaner energy will be to businesses and consumers.

Gene Sperling (Chairman, National Economic Council): It can't be ruled out that there could be- that there could be some effect on energy prices.

Donvan: The president did spell out steps designed to reduce the shock to business: Five billion dollars in tax cuts and research money over five years for companies that develop and use new energy-efficient technology; rewards for companies that act early to reduce greenhouse emissions; and a system allowing companies that exceed emission limits to buy credits from companies that are below standards.

All of this, Peter, is really a negotiating tactic because in December the U.S. will be in Kyoto, Japan, trying to work these ideas into a worldwide global treaty on greenhouse gases. So the details could change. But whatever emerges, no one here tonight wants to say that it's going to be easy to turn back the clock. Peter.

Jennings: Thanks, John. Thanks. John Donvan at the White House. It will not be easy.

About a third of the pollution that causes global warming comes from cars and trucks. So to do something about global warming, we will have to come to grips with the fact that North Americans are increasingly driving the kinds of cars and trucks that do the most damage. ABC's Barry Serafin tonight takes 'A Closer Look.'

Barry Serafin reporting:

For years the U.S. made dramatic progress in the fuel economy of cars and trucks, from an average of about fifteen miles per gallon in 1975 to more than twenty-five miles per gallon by the mid-80s. But that has stalled out because Americans these days are not buying fuel-efficient cars. As far as many are concerned, the bigger, the better. Light trucks, sports utility vehicles and vans now account for forty-four percent of vehicle sales.

Andrew Card (American Auto Manufacturers Association): The industry responds to the demand from consumers. Consumers want more utility in their vehicles.

Serafin: Relatively cheap gasoline has encouraged the trend toward bigger, more powerful utility vehicles, and the overall fuel economy of cars and trucks has actually dropped slightly over the past three years. The less efficient vehicles are, the more pollution they produce.

Daniel Lashof (National Resources Defense Council): If you're going to get significant reductions in greenhouse gas emissions, which we need to do in order to protect the planet, you're gonna have to make cars more efficient one way or another.

Serafin: The administration is betting on new technology, like fuel cells that will run on gasoline, described by the president as a dramatic breakthrough.

Clinton: A breakthrough that will clear the way toward developing cars that are twice as efficient as today's models and reduce pollution by ninety percent.

Serafin: But even if automakers made a technological breakthrough, it could take years to phase in new cars, years with no real impact on emissions. Environmentalists say, along with technology, there has to be some pain. For consumers, fees imposed on the purchase of gas guzzlers; and for manufacturers, mandatory higher annual fuel economy standards to try to break the bigger-is-better vehicle habit.

Barry Serafin, ABC News, Washington.

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NPR

OCTOBER 22, 1997

ALL THINGS CONSIDERED
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Global Warming Conference Update

LINDA WERTHEIMER, HOST: This is ALL THINGS CONSIDERED. I'm Linda Wertheimer.
ROBERT SIEGEL, HOST: And I'm Robert Siegel.

Today, President Clinton outlined the U.S. position on stabilizing and reducing emissions of so-called greenhouse gasses, which have been linked to global climate change.

In a speech at the National Geographic Society in Washington, DC, the president proposed that the U.S. and other industrial nations should reduce emissions to 1990 levels by the year 2012.

Among his other proposals, $5 billion in tax cuts and other economic incentives to encourage energy efficiency in U.S. industries, and an international system for trading emissions permits, so that a firm in one nation could invest in a project that reduces greenhouse gasses in another, and receive credit for those reductions at home.

President said that the problem of climate change reflects the new realities of the new century.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES: Many previous threats could be met within our own borders, but global warming requires an international solution. Many previous threats came from single enemies, but global warming derives from millions of sources.

Many previous threats posed clear and present danger, global warming is far more subtle, warning us not with roaring tanks or burning rivers, but with invisible gasses, slow changes in our surroundings, increasingly severe climatic disruptions that thank God have not yet hit home for most Americans.

SIEGEL: The president said the experience of dealing with previous environmental threats has provided a simple lesson.

CLINTON: Environmental initiatives is sensibly designed, flexibly implemented, costs less than expected, and provide unforeseen economic opportunities. So while we recognize that the challenge we take on today is larger than any environmental mission we have accepted in the past, climate change can bring us together around what America does best -- we innovate; we compete; we find solutions to problems, and we do it in a way that promotes entrepreneurship and strengthens the American economy.

SIEGEL: President Clinton, speaking today at the National Geographic society.

Dateline: Linda Wertheimer, Washington, DC; Robert Siegel, Washington, DC

NPR

ALL THINGS CONSIDERED
NATIONAL PUBLIC RADIO

OCTOBER 22, 1997

Clinton Policy Concessions

LINDA WERTHEIMER, HOST: News analyst Daniel Schorr says President Clinton's proposals on global warming represent a compromise and, in that respect, they're like several other positions taken by the administration recently. Behind them all, Schorr sees presidential politics.

DANIEL SCHORR, NPR SENIOR NEWS ANALYST: In his 1992 book, "Earth in the Balance," Senator Al Gore called for a bold an unequivocal action, and a willingness to take political risks in striving to control environmental hazards like global warming.

This week, Vice President Gore signed off on a less bold administration proposal stretching out the deadlines for reducing greenhouse gasses and relying in part on financial incentives.

One political risk that Gore had to worry about was that House Democratic Leader Dick Gephardt would exploit the issue of higher energy prices and a possible weakening of the economy. Yesterday, the Clinton administration abruptly switched, from opposition to support with a few changes, of the Republican proposal to overhaul the Internal revenue Service.

It happened, dramatically enough, while Gephardt was in the middle of a news conference announcing his support of the Republican program. Until the week, the administration was prepared to do battle in the House for renewal of fast-track trade authority, which Gephardt has taken a stridently opposed position.

At last word, the administration had decided to take the unusual action of bringing up the trade bill in the Senate first, unwilling take on House pro-labor Democrats, starting with Gephardt.

In all of these decisions, President Clinton, who could afford for his own place in history to take on all comers, apparently has in mind the political fortunes of Al Gore, whose unannounced candidacy faces an unannounced adversary in Dick Gephardt.

Not all presidents go out of their way in support of vice presidents running to succeed them. President Reagan was moderately active in support of George Bush, who had the Reagan record to run on. President Johnson actually harmed Hubert Humphrey's chances by refusing to let him take a moderate position on the Vietnam War. President Eisenhower did little for Richard Nixon in 1960.

But President Clinton has reason to feel an immense debt of gratitude to his vice president, who has shown him unstinting loyalty. Gore owes a lot of troubles over campaign funding to acting as a loyal team player, making almost all the fundraising appearances and telephone calls he was asked to make, which Mr. Clinton himself didn't always do.

So, it could be understood if the president here and there yields ground, trying to protect Al Gore from the slings and arrows of a Dick Gephardt.

This is Daniel Schorr.

Dateline: Daniel Schorr, Washington, DC; Linda Wertheimer, Washington, DC; Robert Siegel, Washington, DC

NPR

ALL THINGS CONSIDERED
NATIONAL PUBLIC RADIO

OCTOBER 22, 1997

Clinton Greenhouse Plan

ROBERT SIEGEL, HOST: Today, President Clinton unveiled his long-awaited plan to address global warming. In a speech at the National Geographic Society, the president said the United States would use tax breaks and similar incentives to cut emissions of carbon dioxide back to 1990 levels over the next 15 years.

That goal is less ambitious than European proposals, but it's much more than the United States has achieved today. Emissions have been climbing sharply over the past five years, despite efforts by the Bush and Clinton administrations to bring them under control.

NPR's Richard Harris has the story.

RICHARD HARRIS, NPR REPORTER: Diplomats from around the world have been trying to develop a new and stronger global warming treaty, but one critical piece has been missing, the U.S. position. Today, with less than two months before those final treaty talks in Japan, President Clinton ended the suspense with a proposal that will take a major effort to achieve.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES OF AMERICA: First the United States proposes, at Kyoto, that we commit to the binding and realistic target of returning to emissions of 1990 levels between 2008 and 2012. And we should not stop there. We should commit to reduce emissions below 1990 levels in the five-year period thereafter, and we must work toward further reductions in the years ahead.

HARRIS: A key part of this strategy is that the United States doesn't have to find all those emission savings within its borders. Mr. Clinton proposed that the right to pollute can be bought and sold, so U.S. industry can pay others to cut back if that's the cheapest way to go. In addition, the president accepted the Senate's position that the developing world must not be excused from any commitments right now.

CLINTON: Both industrialized and developing countries must participate in meeting the challenge of climate change. The industrialized world must lead, but developing countries also must be engaged. The United States will not assume binding obligations unless key developing nations meaningfully participate in this effort.

HARRIS: He didn't spell out exactly how that would be accomplished, nor did he have a complete blueprint for actions needed within the United States, but Mr. Clinton did offer some guiding principles. The administration is committing $5 billion to fund research on energy efficiency and to provide incentives such as tax breaks to companies that lead the way.

Whatever the details, these measures will require far-reaching changes throughout our society. The smaller, voluntary efforts today, such as tougher appliance standards, have failed to bring emissions under control.

CLINTON: The lesson here is simple. Environmental initiatives, if sensibly designed, flexibly implemented, cost less than expected and provide unforeseen economic opportunities.

So while we recognize that the challenge we take on today is larger than any environmental mission we have accepted in the past, climate change can bring us together around what America does best -- we innovate; we compete; we find solutions to problems, and we do it in a way that promotes entrepreneurship and strengthens the American economy.

HARRIS: But some people are skeptical it will really work out that way. Gail McDonald (ph), president of an industry group called the Global Climate Coalition, said in an interview that the administration's hard and fast commitments will probably require energy taxes to force down consumption or cost consumers in the form of higher prices.

GAIL MCDONALD, PRESIDENT, GLOBAL CLIMATE COALITION: And in addition, they've taken on a strategy which will not produce environmental benefits. By not including developing nations, the emissions will continue to rise but we will sock our economy with these extra costs and probably will lose important manufacturing industries to the developing countries.

HARRIS: On the other end of the spectrum, environmental groups are critical of the plan for not doing enough. Greenpeace USA called today the "Black Wednesday" for the climate negotiations. Michael Oppenheimer (ph) at the Environmental Defense Fund agrees that targets should have been far more ambitious, but he says the plan contains some very good ideas, too.

MICHAEL OPPENHEIMER, ENVIRONMENTAL DEFENSE FUND: This proposal puts on the table some suggestion for what we're going to do, not in the year 2008, but in 1998. And that's important, 'cause U.S. emissions are skyrocketing right now. We've got to get out of the box at the beginning of 1998, get proposals in the Congress to start reducing emissions. And this presidential plan does that.

HARRIS: Oppenheimer says the plan is also substantial enough that it gives the United States a credible position at the climate talks. One big question now is whether there's enough time left to negotiate a complicated climate treaty by the United Nation's deadline of mid-December.

Richard Harris, NPR News, Washington.

Dateline: Richard Harris, Washington, DC; Linda Wertheimer, Washington, DC; Robert Siegel, Washington, DC

October 22, 1997

Clinton Proposes Environmental Plan

A.P. INDEXES: TOP STORIES | NEWS | SPORTS | BUSINESS | TECHNOLOGY | ENTERTAINMENT

Filed at 6:15 p.m. EDT

By The Associated Press

WASHINGTON (AP) -- In a decision falling short of environmentalists' hopes and his own promises, President Clinton presented a modest strategy Wednesday to combat global warming by gradually reducing greenhouse gases over the next two decades.

``Make no mistake, the problem is real,'' the president said. ``And if we do not change our course now, the consequences sooner or later will be destructive for America and for the world.''

After months of fierce debate within the administration, Clinton announced a plan embracing binding pollution curbs for the first time. But they are substantially below targets proposed by European nations and recommended by environmentalists.

The plan calls for reducing carbon dioxide and other heat-trapping gases to 1990 levels by the five-year period of 2008 to 2012. In the five years after that, the goal is to reduce emissions below the 1990 mark.

``Since it's a long-term problem requiring a long-term solution, it will be phased in over time,'' Clinton said in a speech at the National Geographic Society headquarters.

Anxiously awaited by global negotiators, Clinton's proposal came under swift attack at U.N.-sponsored talks among 150 countries seeking a consensus on mandatory cutbacks in greenhouse gases.

``Something much more substantial will need to come out of the White House if the United States is to face up to its global responsibilities,'' said Peter Joergensen, environment spokesman for the European Commission.

Greenpeace, the international environmental group, said, ``This is the `black Wednesday' for the climate negotiations.''

Now meeting in Germany, the negotiators are struggling to reach a global climate agreement in time for a December conference in Kyoto, Japan.

Clinton also proposed $5 billion in tax breaks over the next five years to spur U.S. industry to adopt energy efficiencies and develop new technologies that would reduce America's reliance on fossil fuels -- even before an international treaty goes into effect.

In the United States, many environmentalists complained Clinton's policy was too weak, and many critics on the other side warned it would raise energy prices and wipe out jobs.

``It's a minimum starting point. It will not go nearly far enough to get us out of harm's way," said John Adams, executive director of the Natural Resources Defense Council.

On the other hand, House Majority Whip Tom DeLay, R-Texas, said Clinton ``has decided that the debate on global warming is over and that we have to do something about it. That something will likely lead to higher taxes, more regulations and a bigger government presence in our lives."

``I know full well that some will criticize our targets and timetables as too ambitious," the president acknowledged. ``And of course others will say we haven't gone far enough."

Clinton was accompanied by Vice President Al Gore, who has made the environmental his top priority. The success or failure of Clinton's policy could have a major impact on Gore's presidential aspirations.

Gore called Clinton's speech ``a historic announcement" and said it would be regarded as the moment ``when we really began to solve the most serious environmental problem we face."

Clinton's proposal would provide credits for industries that make early emission reductions. It also envisions an international emissions trading program allowing companies and nations to swap credit for pollution abatement activities.

The president also said that developing countries ``must be engaged" in the solution.

Four years ago, Clinton sketched out an ambitious goal to reduce emissions to their 1990 levels by the year 2000 through voluntary reductions. He said that ``regrettably most of us, including especially the United States, fell short."

Clinton and Gore warned that there is compelling evidence emissions of greenhouse gases are warming the planet, causing severe weather changes such as floods and droughts and spreading disease to areas once too cold for germ-carrying insects.

European nations propose that all developed nations reduce gas emissions to 15 percent below 1990 levels by 2010. Japan has proposed a 5 percent cut, which the EU has called insufficient.

Administration officials said their own goal was not achieved because the economy was more robust than expected, oil prices were lower and Congress did not approve funds Clinton sought for fuel efficiency and renewable energy programs.

While warning of dire consequences of global warming, Clinton suggested the solutions were simple. ``Most of the technologies available for meeting this goal through market mechanisms are already out there. We simply have to take advantage of them."

He cited the case of a sixth-grade class in West Branch, Iowa, that used classroom experiments to cut their school's energy use by 70 percent. Similarly, he said that if Americans would buy only high-energy products, ``we could shrink our energy bills by a total of about $100 billion over the next 15 years and dramatically cut greenhouse gas emissions."

Treasury Deputy Secretary Lawrence Summers described Clinton's approach at a White House briefing as ``a helping hand approach rather than a heavy-handed approach to working to reduce energy consumption. It doesn't provide for mandated increases in prices on energy over the next decade and it does contain a number of provisions that are likely to reduce energy costs."

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G0409
^bc-globalwarm<
bc-GLOBALWARM-QA<
^Q&A: Plan; a look at what's really at stake in reducing global warming<
Eds: Can be paired with GLOBALTREES<
By ERIN KELLY<
Gannett News Service<

WASHINGTON President Clinton announced a plan Wednesday to reduce greenhouse gases to curb the threat of global warming, saying his proposed reductions can be met by new technology and energy conservation. He offered tax incentives, rather than new taxes, to achieve his goals.<

But the issue of global warming, and what the United States and the rest of the globe should do about it raises many questions. Here are answers to some of the more pressing ones:<

^QUESTION: What exactly did Clinton announce?<

^ANSWER: The president finally revealed exactly what he thinks the United States should do to reduce our carbon dioxide emissions, which come from burning coal, oil and gasoline in our cars, homes, offices and factories. These emissions are blamed for global warming because they trap heat in the earth's atmosphere, creating a ``greenhouse effect'' with potentially devastating consequences.<

Clinton is proposing to commit the country to a legally binding agreement that would require us to reduce our total emissions to 1990 levels between 2008 and 2012.<

He will take his plan to Japan in December, where he will meet with leaders of 150 nations to work out an international treaty aimed at reducing the threat of global warming.<

^Q: Why should we care?<

^A: If something isn't done now, the climate, geography and economy of the United States could suffer drastic changes in as little as 50 years, warns the Intergovernmental Panel on Climate Change, a group of about 1,500 scientists brought together by the United Nations.<

Global warming could destroy farms in the Great Plains, increase the hurricanes that pound the Southeast, wipe out the Florida citrus industry, destroy fish in the Great Lakes, expand the desert, shrink the water supply in the West and cause devastating floods in major cities from New York to San Francisco.<

Warm areas could become unbearably hot in the summer, making healthy people miserable and sending asthmatic children and senior citizens to the hospital in droves, according to the scientists' predictions.<

^Q: What was the reaction to his decision?<

^A: Many environmental groups said Clinton didn't go far enough. They had urged him to endorse tougher standards proposed by the European Union, which is advocating a reduction in carbon dioxide emissions to 15 percent below 1990 levels by 2010.<

On the other side, oil companies and automobile manufacturers had lobbied against any plan that would force them to reduce emissions. They said such requirements will cripple the U.S. economy and hurt consumers by raising the price of gasoline and increasing utility bills.<

^Q: How did Clinton respond to his critics?<

^A: He said environmentalists and energy companies are underestimating American ingenuity. He said the nation already has the technology to reduce emissions dramatically by creating cars and other products that are more energy-efficient.<

Rather than destroying the economy, the plan will create new business opportunities while improving the environment, Clinton said.<

Some environmental groups and business leaders agreed. Both the Environmental Defense Fund and The Business Council for Sustainable Energy which includes the natural gas industry praised the president for coming up with a reasonable plan.<

^Q: Who wins and who loses under the president's plan?<

^A: Despite grumblings from environmentalists and big business, both sides won concessions from the White House.<

Clinton's plan takes environmentalists seriously. He is the first president to propose mandatory rather than voluntary efforts to reduce the fossil fuel emissions that cause global warming. He also committed to making those reductions in a relatively short time 12 to 15 years.<

On the other hand, Clinton made an effort to soften the effect on big business by offering a $5 billion package of tax breaks and other incentives to develop energy-efficient technology and reduce their dependence on fossil fuels.<

^Q: What is the worldwide effect of Clinton's decision?<

^A: Other nations are looking to the United States to take the lead on developing solutions to reduce the threat of global warming. The reason: We have less than 5 percent of the world's population, yet create more than 25 percent of the greenhouse gas emissions that cause global warming.<

Both industrial and developing nations have warned the United States that they will not sign a treaty committing themselves to significant reductions in their emissions unless we do so.<

^Q: Is an international treaty unfair to the United States?<

^A: Television ads funded by oil companies, utilities and auto manufacturers charge that it's unfair for Americans to reduce greenhouse gas emissions, while developing nations such as China and Mexico are exempt from the terms of the treaty.<

Clinton said he thinks the United States and other industrialized nations should take the lead on global warming since we cause the bulk of the problem. However, he agreed that developing nations also should commit to reductions or they will simply take our place as major polluters in a few decades.<

Clinton said he will not commit Americans to any binding agreements unless China and other developing nations also take steps to reduce their dependence on fossil fuels.<

^Q: What happens next?<

^A: President Clinton will take his proposal to Kyoto, Japan, in early December to hammer out an international global-warming treaty with representatives of 150 nations.<

^Q: Is the president's decision final?<

^A: No. A two-thirds majority of the Senate must ratify the treaty and the debate is expected to be contentious. Big oil companies, labor unions and automobile manufacturers all major contributors to congressional campaigns will be lobbying senators to reject the treaty.<

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THE WALL STREET JOURNAL.
Circ: 1,852,863

OCT 22 1997

Fast Tax Cuts Would Be Tied To Emissions

A3

By JOHN J. FIALKA
And JACKIE CALMES
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — President Clinton today will propose immediate tax cuts for businesses as part of a plan to reduce U.S. carbon-dioxide emissions 15% to 20% by 2010 under an international global-warming agreement. The proposal sets the stage for one of the most difficult peacetime treaty negotiations in history.

After classic late-hour planning sessions, with many of the president's advisers still at odds over the proposal's details and economic impact, a formula emerged with heavy emphasis on emissions trading by companies and on providing developing nations with incentives to make early commitment to treaty goals. As incentives to U.S. businesses to take steps right now toward energy efficiency, Mr. Clinton tentatively had decided last night to call for tax breaks worth about $5 billion over five years.

> **Airing Their Views**
>
> In the debate over curtailing greenhouse gases, some industries are issuing dire economic warnings, while others see opportunity. Article on page A24.

The tax incentives, which would expand on provisions already in the code to encourage energy-saving, include proposals rewarding construction of energy-efficient buildings; fuel-efficient and alternative-energy vehicles, such as electric cars; and industrial cogeneration plants. Administration officials stressed that the ideas were still formative, on the eve of Mr. Clinton's long-awaited speech today at the National Geographic Society to lay out the U.S. negotiating stance on a treaty against global warming.

The administration proposals already are drawing flak from all sides, from industries that oppose the potential expense and environmentalists who don't think the plan goes near far enough. The Clinton proposal's targets appeared to be below the starting negotiation positions of the European Union and Japan. That means the final negotiating session in Kyoto, Japan, in December will be tough going, White House spokesman Michael McCurry predicted yesterday.

"This is going to be very, very hard work," he said at a news briefing, adding that, because of a wide spectrum of options among nations, it is "far from certain that there can be success" in Kyoto.

Most of the debate within the Clinton administration involved variations on the "stabilization" plan, in which the U.S. would cut its carbon-dioxide emissions to 1990 levels by sometime around the year 2010. Japan has called for a 5% reduction below 1990 levels to be reached between 2008 and 2012, with lesser cuts for nations with relatively clean energy systems—such as Japan.

European negotiators will press for 15% cuts below 1990 levels, a relatively easy mark for them to make because of events shortly after the 1990 base year. Germany shut down dirty coal-fired plants in the former East Germany shortly afterward, and England switched its energy system from coal to cleaner-burning gas — moves that have already drastically cut their carbon-dioxide levels.

Meanwhile, U.S. emissions of carbon dioxide, the primary "greenhouse gas," have risen sharply. According to the Energy Department, U.S. carbon-dioxide emissions rose 3.4% last year, growing faster than energy consumption as more electric utilities resorted to cheaper coal-fired plants. Many scientists believe that man-made sources of carbon dioxide trap heat in the earth's atmosphere and will cause violent storms and rising sea levels over the next century.

"We don't think that stabilization [to 1990 levels] is an adequate response to the science," said Alden Meyer, of the Union of Concerned Scientists. "It's sort of a minimum ante into the game to keep the [negotiation] process going."

Emissions trading amounts to buying and selling certificates permitting a company to emit a ton of carbon dioxide. It would allow companies and nations to get credit for pollution-abatement activities here and abroad and could reduce the cost of meeting the carbon-dioxide limits. Some business groups, such as the National Association of Manufacturers, have predicted the economic impact will be severe.

CONTINUED THE WALL STREET JOURNAL.
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The problem with this business support rallying to Mr. Clinton's side is that it is late. Final treaty negotiations in Kyoto, Japan, start in December. A difficult fight for Senate ratification looms thereafter. "This administration has a problem doing things in a timely fashion," complains Mr. Stempel.

Opponents Long at Work

Meanwhile, the big guns from the other side have been booming away for years. As scientists and environmental groups began to predict rising sea levels and other adverse effects of man-caused accumulations of carbon dioxide and other gases that tend to trap the sun's heat in the atmosphere, these business opponents began spending millions of dollars to project some horror stories of their own.

Western Fuels Association, a Denver-based cooperative that sells coal to 23 utilities, makes no bones about what global warming is all about. The cover of its annual report shows a combat helmet against a coal-black background: "Since 1966, Western Fuels Association has occupied the front lines in the battle for Americans' right to cheap electricity," the co-op declares. Western Fuels is one of the pioneer members of the Global Climate Coalition, a consortium of coal, oil, automobile companies and utilities that has been fighting the proposed treaty.

The Coalition for Vehicle Choice, a Washington-based group financed by the U.S. auto industry and related groups, has spent the past two years convincing small business, labor and local civic groups throughout the U.S. that the treaty will be "bad for America." Recently 1,300 groups agreed with that statement in an ad that the group ran in the Washington Post.

The Global Climate Coalition, which spun out of the National Association of Manufacturers in 1989, is the source of many dire economic studies. Last week, it released another one, predicting that the cumulative losses to the economy from a treaty between the year 2000 and 2020 could amount to $30,000 for each household.

The Center for Energy and Economic Development, an Alexandria, Va., group financed by the coal industry with a $4 million annual budget, has targeted business and civic groups in 11 states, says Steve Miller, the group's president. It often brings in the United Mine Workers union for reinforcement.

The union has spent $1.5 million and two years working with many of the coalitions against the treaty. "For a long time, I was wondering if anybody was listening," says Cecil Roberts, its president. Now he says he is beginning to hear results. "People are starting to say, 'We're going to do *what* in December?' "

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Clinton's Effort to Curb Global Warming Draws Some Business Support, but It May Be Too Late

A24

By JOHN J. FIALKA
Staff Reporter of THE WALL STREET JOURNAL

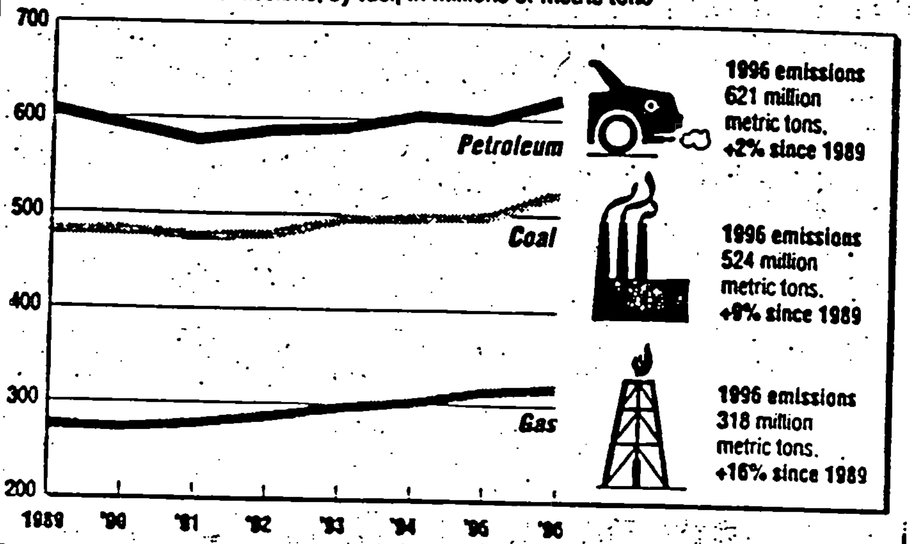
WASHINGTON – In the debate over a global-warming treaty, industry warnings have gotten plenty of publicity: Tighter controls on fuel emissions could raise electric rates 30%, send gasoline prices up as much as $1 a gallon, and create massive inflation and job losses.

But contrary to the public perception, this isn't a classic business vs. environmentalists fight. At least some business-people are digging in to support President Clinton, who today is expected to announce U.S. proposals for final treaty talks in December. "We see this as a business challenge," says Michael Marvin, executive director of the Business Council for Sustainable Energy, a group that includes the natural-gas industry and air-conditioning manufacturers. The question is whether such business support is coming too late in the debate.

By switching to cleaner fuels and using more efficient U.S. technology, Mr. Marvin's group believes emission cuts can be made with little disruption, and the economic "crisis" could turn into jobs and profits. And its members aren't the only ones in business to split from lobbying led by the coal, oil and auto industries against U.S. involvement in an international treaty to curb the accumulation of so-called greenhouse gases.

Fuels Into the Air

U.S. carbon dioxide emissions, by fuel, in millions of metric tons



Sources: Energy Information Administration, U.S. Department of Energy

NOTE: A metric ton equals 2,204.62 pounds

Supporters in Business

There is Robert Stempel, who retired as chairman of General Motors Corp. in 1992. "I'm not sure why the price of gasoline automatically goes up," says Mr. Stempel, who now is an executive at Energy Conversion Devices Inc., a Troy, Mich., company that makes batteries for electric cars. Electric cars and so-called hybrids that blend small gasoline engines with battery-powered drive systems, he believes, will mean cleaner, more efficient travel.

Mr. Stempel also sees such vehicles as a way to preserve U.S. market share against Japanese auto makers that already are selling hybrids. Most electric-car technology, he notes, has been developed in the U.S. "Do we sit back like we did with the transistor and let Japan take the technology and feed it back to us?" he wonders. "You don't have to read this book to me again."

There is Lee Iacocca, former chairman of Chrysler Corp., who has formed a partnership with Unique Mobility Inc., a Golden, Colo., company that makes battery-powered motor scooters and bicycles. Ray Geddes, president of Unique Mobility, says both men believe incentives to sell the nonpolluting, two-wheeled vehicles will open the door to huge new vehicle markets, especially in China, India and Taiwan. "I think it's a win-win," Mr. Geddes says.

Seeing Opportunities

Then there is John Browne, chief executive officer of British Petroleum PLC. He has spent the past nine months preparing his company for business opportunities that could grow out of a treaty on global warming. One of them involves trading of emission rights, which would allow companies to get credit in the U.S. for carbon dioxide emission-reduction activities overseas. BP has been working with American Electric Power and PacifiCorp, two of the nation's largest coal-fired utilities, on a project to save five million acres of Bolivia's rain forest from logging.

Dale Hydlauff, an AEP vice president, explains that, because trees store carbon dioxide, the companies would earn credits for removing 53 million metric tons from the atmosphere in a global trading program at a cost of only 37 cents a metric ton. Programs like these and sales of U.S. electricity technology abroad, AEP estimates, could reduce the projected cost of carbon dioxide reduction by 90%.

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USA TODAY

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OCT 2 2 1997

U.S. plan to cut emissions is 'minimum'

By Traci Watson
USA TODAY A1

President Clinton's plan to combat global warming, being announced today, proposes relatively small reductions in the production of the pollutants that many scientists say are part of the problem.

The plan calls for the world's developed countries to reduce emissions of greenhouse gases to an average of 3.3 billion tons a year over a five-year period, roughly 2008 through 2012.

Current emission levels are much higher.

Greenhouse gases trap heat close to the Earth. The primary greenhouse gas is carbon dioxide, which is created when fossil fuels are burned. Most scientists say that if these gases continue to warm the Earth, there will be disastrous droughts and floods.

The U.S. plan will be introduced at a conference now under way in Germany, where negotiators are working on a treaty to slow global warming. Final negotiations are set for December in Kyoto, Japan.

Clinton's plan also proposes that for the five-year period from roughly 2013 through 2017, the industrialized countries would emit an average of 3.1 billion tons of greenhouse gases per year.

The U.S. proposal would be much less radical than both the European plan, which calls for emissions of 2.8 billion tons a year by 2010, and the Japanese plan, which calls for a level of 3.1 billion tons a year by 2012.

Environmentalists grudgingly accepted the plan. "This is a minimum ante that gets them in the game," says Alden Meyer of the Union of Concerned Scientists. The Europeans are likely to push for a stricter plan, but Meyer says the U.S. plan is tough enough to be taken seriously.

Industry leaders had no comment. A Clinton administration spokesman also would not comment.

Los Angeles Times
Circ: 1,104,651
OCT 2 2 1997

Clinton Backs Broad Plan to Fight Global Warming

■ **Environment:** Measure doesn't go as far as strict European proposals. U.S. industry opposition expected.

By JAMES GERSTENZANG
TIMES STAFF WRITER

A1

BONN—President Clinton, concluding an often-fierce debate within his administration, opted Tuesday for an international plan to combat global warming that falls short of stringent proposals advocated by European powers. It gained the grudging support of American environmentalists but is likely to draw fierce opposition from U.S. industry.

Barring last-minute changes, Clinton will announce in Washington today a comprehensive program that would bring about reductions in the emissions of greenhouse gases by major industrial nations. Many scientists believe that such gases are responsible for an increase in global temperatures.

Clinton also is expected to propose a $5-billion plan to help convert U.S. coal-fired utility plants to natural gas and to boost American energy efficiency through high-tech projects and the use of such renewable energy resources as solar and wind power.

Administration officials and environmentalists presented an outline of the president's proposal here in Bonn. In Washington, White House Press Secretary Mike McCurry said that Clinton spoke Tuesday with leaders of industrial nations about the plan, which will form the basis for the U.S. negotiating position at global warming talks here this week and next week.

Participants will try to narrow their differences here before a December meeting in Kyoto, Japan. There, nearly 170 nations will try to reach a binding agreement that would commit them to specific measures to turn back global warming.

But the Clinton administration's position is so different from that of some other countries that, one U.S. source predicted, many of them would "squeal like pigs" before realizing that they would have to work with it as a basis for compromise.

Specifically, these sources said Clinton would call for industrial nations to commit to reduce by 2008 their emissions of carbon dioxide, methane and nitrous oxide to 1990 levels. Because such emissions are expected to rise significantly—by some 13% in the United States—administration officials have argued that this amounts to a significant reduction, even though it would simply stabilize the gases at a recent level.

Then, during a four-year period beginning about 2013, gases would be reduced to 5% below the 1990 level, according to one account. But administration sources said Tuesday evening that it remains uncertain whether such a reduction would be included.

The European Union has called for a 15% reduction by 2010, and Japan has advocated a 5% cut. The Arab oil-producing states, on the other hand, have objected to any such mandatory targets, going so far as to suggest payments to them by industrial countries if the agreement results in lower oil purchases.

The president also is likely to call for establishing an international system in which permission to exceed agreed-upon limits of gases could be traded among nations and companies in a barter arrangement.

The gases, working much like a greenhouse, are believed by many scientists to trap the Earth's heat in the atmosphere, increasing temperatures. They argue that this warming will elevate sea levels and magnify shifts in weather patterns, bringing extreme drought to some areas and floods to others.

Clinton's plan provides no specific role for the developing world, which was not included in the original mandate set at a 1992 United Nations environmental conference in Rio de Janeiro.

These nations, among them China and India, have argued that efforts to counter global warming by restricting energy uses could stymie their economic growth.

But the U.S. Senate must approve any treaty that comes out of Kyoto and that will be less likely if it contains no clear role for poorer nations. In today's speech, Clinton is expected to call on these nations to do their part—without specifying what steps they should take.

Also unclear is whether the Republican-led Congress would approve the president's $5-billion domestic energy plan, including tax breaks designed to encourage industry to adopt energy-efficient practices and retire outdated manufacturing equipment.

White House and other administration officials said that, even as

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Los Angeles Times
Circ: 1,104,651

OCT 2 2 1997

speech writers were working on the president's text, details of the program remained uncertain. Clinton's top aides met into the evening to work on it. Since returning Sunday from South America, Clinton has met with his chief environmental advisor, Kathleen McGinty, and others.

Asked whether Clinton has checked off "all of the boxes" involved in the decision, McCurry said in Washington: "Some of them are still unchecked but most of them are checked."

On Monday, the U.S. Energy Department reported that in the last year U.S. greenhouse gas emissions had risen 3.4%. McCurry said the increase underscores the president's belief in "the importance of moving vigorously to address this issue and having a position that really reflects what ought to be a leadership role for the United States in this debate."

The pressure of reaching a consensus has strained the environmental team and Clinton's economic advisors, the latter concerned that the cost to the economy of reducing energy use would be too great.

Among environmentalists, the reaction was guarded as they waited to see the plan's details.

Dan Becker, a Sierra Club expert in Washington, predicted that, if Clinton postpones the initial target date beyond 2010, "we'll all oppose it."

Alden Meyer, director of government relations of the Union of Concerned Scientists, said that environmentalists hope Clinton's proposal represents a "minimum ante" and that the United States will improve its offer during the negotiations.

Times staff writer Elizabeth Shogren in Washington contributed to this article.

The Washington Post

OCT 2 2 1997

Circ: 852,262

President Settles On Modest Goals To Fight Warming

Plan Cuts Greenhouse Gases To 1990 Levels in 15 Years

By Peter Baker and Joby Warrick A1
Washington Post Staff Writers

President Clinton plans to announce today a plan to stave off the threat of global warming by reducing greenhouse gases to 1990 levels over the next 15 years, eschewing the more ambitious goals of Western Europe to assuage domestic critics, according to sources familiar with the proposal.

After months of contentious debate among his own advisers, Clinton settled on a relatively [illegible]derate approach intended to balance the de[illegible]s of environmentalists seeking dramatic [illegible]n that they believe is necessary to protect the [illegible]s climate with the concerns of industry and [illegible]essional leaders worried that tough restrictions would strangle the U.S. economy.

Some key details of the plan remained in flux last night. But according to business and environmental leaders briefed by the administration yesterday, Clinton has adopted a multifaceted proposal that would require the United States and other industrial nations to reduce emissions of carbon dioxide, methane and other gases that trap heat in the atmosphere to 1990 levels between 2008 and 2012. Clinton also will call for further reductions beyond that but will not set specific targets or deadlines, sources said.

In addition, the president's plan will include about $5 billion in incentives to make it more economical for industry to curb pollution on its own over the next five years. The bulk of the money would go toward tax breaks; the plan also envisions pollution credits for businesses to trade depending on their individual situations.

Clinton spent much of yesterday consulting with foreign leaders by telephone and with aides at the White House, struggling to put the final touches on his proposal before announcing it in a National Geographic Society speech this afternoon.

He laid some of the political groundwork last night during a talk at a fund-raiser for Senate Democrats, asserting that the United States cannot "hide our heads in the sand."

"No one knows when something bad will happen or exactly what it will be, but the overwhelming consensus of scientists is that we must reduce our greenhouse gases," he said. "I am prepared to see the United States take the lead. But I am not a pessimist. Every single action the United States has taken since 1970 to clean up our own environment has led to more jobs [and] a diversifying economy."

The U.S. position will be revealed even as international negotiators meeting in Bonn, Germany, try to narrow differences before representatives of 150 nations gather in Kyoto, Japan, from Dec. 1 to 10 to hammer out a global warming treaty. With the United States responsible for producing a quarter of the world's greenhouse gases, its position carries extraordinary weight. Yet Clinton risks a bruising battle with key allies that are pressing for more dramatic measures.

Western European nations have closed ranks around a goal of reducing emissions to 15 percent below 1990 levels by 2010, while Japan wants a 5 percent cut by 2012. In addition, Clinton plans to demand today that developing nations like China, Brazil and Mexico participate as well, although it was unclear what requirements he would impose.

One option reportedly under consideration would simply set a later deadline for developing nations. Another would enact a system of emissions credits that would give Western industries incentives to clean up pollution in poorer countries. In a resolution last summer, the Senate warned it would scuttle any treaty that failed to address pollution in the Third World.

Mindful of that, Clinton called several foreign leaders yesterday—including Japanese Prime Minister Ryutaro Hashimoto, British Prime Minister Tony Blair, German Chancellor Helmut Kohl and Canadian Prime Minister Jean Chretien—to try to build consensus before announcing his stance.

However, aides said those calls reinfor[illegible] daunting task ahead of Clinton. "He conti[illegible] believe it's going to be difficult, but [illegible] everyone knew that going into this p[illegible]," said White House press secretary [illegible] McCurry.

Clinton's middle-of-the-road plan cou[illegible] the support of some centrist environ[illegible] groups as well as some businesses.

"We want to support Clinton for going [illegible] a bit of a limb, and against some [illegible] economists," said Adam Markham of the [illegible] Wildlife Fund. "It should get us in a [illegible] negotiating position going in to Kyoto."

Fred Krupp, executive director of the [illegible]ronmental Defense Fund, said his group [illegible] be most interested in hearing details [illegible] incentives. "If we give companies cre[illegible] doing what they're supposed to do, we sti[illegible] a hunt for ways to reduce carbon," he said.

However, some activists immediately r[illegible] the reported package as too weak. Green[illegible] for example, condemned the plan. "Gree[illegible] believes this position is totally unacceptab[illegible] that if it were adopted at Kyoto, Kyoto wou[illegible] failure," the group said in a statement. [illegible]ton/Gore must come back with som[illegible] stronger in order for the Kyoto Summit to [illegible] an agreement that would reflect the true d[illegible] of climate change."

Even so, simply getting U.S. emissi[illegible] heat-trapping gases back to their 1990 [illegible] poses a formidable challenge. In 1993, C[illegible] promised to stabilize U.S. emissions a[illegible] levels by 2000, but with today's speech i[illegible] effectively abandon that goal as unread[illegible] Not only have greenhouse gas emissio[illegible] been curbed in Clinton's tenure, they hav[illegible] by 8 percent since 1990.

Top General Motors executives said [illegible] carbon dioxide emissions threaten the global climate and called for improved technology and higher gasoline taxes to encourage fuel conservation. Chairman Jack Smith, in Japan for the Tokyo Motor Show, said GM will introduce alternative propulsion technologies at the North American International Auto Show in January. But he said any solutions cannot exclude developing nations, as does a treaty proposed for December's global warming conference in Kyoto, Japan.

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Rocky Mountain News Wed., Oct. 22, 1997

White House devises emissions strategy

Plan Clinton will outline today would reward companies that act fast

By John H. Cushman Jr.
The New York Times 10/22/97

WASHINGTON — Stung by complaints that it is moving too slowly against global warming, the Clinton administration has devised a set of rewards for companies that cut emissions of greenhouse gases faster than the government would require under a new international treaty.

The approach, to be outlined in a speech by President Clinton today, is meant to mollify environmental groups and European nations that have been demanding deep, early cuts in emissions. The administration has resisted those calls out of fear that aggressive action might cause too much economic pain.

Even as the White House wrestled with the details of its latest plan Tuesday, aides were testing its appeal among business and environmental groups whose support could be crucial to its success.

The United States is under pressure to explain its approach this week, as negotiations resume in Bonn, Germany, on a treaty to reduce emissions of pollutants that are building up in the atmosphere and threatening to disrupt the planet's climate.

The administration's new approach includes:

- Energy producers and consumers that reduce emissions quickly would get credits, so that those moving fastest would benefit the most when, as the administration envisions, the government issues pollution permits that companies can buy and sell.
- Instead of a fixed deadline for reducing emissions, the U.S. would try to achieve its target within a few years on either side of a deadline. That would encourage companies to comply earlier.
- Tax incentives and subsidies, requiring congressional approval, would also prompt companies to move more quickly.

The Detroit News •
NationWorld
PAGE 5A | WEDNESDAY, OCTOBER 22, 1997

Clinton asks global warming consensus

Associated Press

WASHINGTON — President Clinton will propose to tackle global warming gradually, beginning with domestic tax breaks to reduce greenhouse gases followed by internationally binding pollution cuts phased in over several years.

While details remained to be worked out, the broad outline of the U.S. proposal at upcoming talks in Japan includes a complex proposal for industrial nations to first stabilize carbon releases into the air at 1990 levels by 2008-2012 and then begin making slight reductions.

Clinton called world leaders this week to try to build an international consensus position on global warming in advance of climate negotiations in Kyoto, Japan, in December.

Gore risks career with his stance on warming. Page 11A

He will announce the U.S. position for the Kyoto talks in a speech today at the National Geographic Society headquarters in Washington. The administration has been criticized by some environmentalists — as well as European leaders — for not presenting its position earlier.

Clinton will:

■ Call for a package of domestic tax incentives for businesses aimed at spurring development of renewable and energy-efficient technologies, and a domestic effort to make early reductions in heat-trapping carbon emissions.

■ Urge other industrial nations to agree to a phased-in program to first stabilize greenhouse gases over five years, beginning in 2008, followed by a reduction, probably 5 percent, over another five-year period, ending in 2017.

Despite an attempt at compromise, administration officials acknowledged they will have a hard time selling the package both domestically — where both business and environmental communities likely will be dissatisfied — and internationally at Kyoto.

Clinton plan charts middle course

Highlights of President Clinton's proposal to deal with the threat of global warming:

- Mandatory caps by industrial nations on greenhouse gases, principally carbon dioxide from burning fossil fuels, at 1990 levels by 2008-2012, with reductions after that.
- A $5 billion program to spur energy efficiency and develop new energy technologies. Would have to be approved by Congress.
- International pollution trading system beginning in 2008 to allow countries that can't meet emission caps to buy pollution credits from countries that are below caps.
- Rapidly developing countries such as China must agree to participate in future reductions before the United States will adopt binding obligations.

SOURCE: The Associated Press

Sustainable Energy and Economic Development Coalition in Austin.

"Now, the United States pretty much stands alone as the only industrialized nation not willing to cut ... to 1990 levels by 2010," he said.

House Majority Whip Tom DeLay, R-Sugar Land, said Clinton "has decided that the debate on global warming is over and that we have to do something about it. That something will likely lead to higher taxes, more regulations and a bigger government presence in our lives."

Clinton's proposal would provide credits for industries that make early reductions in emissions. It also envisions an international emissions trading program allowing companies and nations to swap credit for pollution abatement activities.

The president also said developing countries "must be engaged" in the solution.

Four years ago, Clinton sketched out an ambitious goal to reduce emissions to their 1990 levels by 2000 through voluntary reductions. He said that "regrettably most of us, including especially the United States, fell short."

European nations propose that all developed nations reduce gas emissions to 15 percent below 1990 levels by 2010. Japan has proposed a 5 percent cut, which the European Union has called insufficient.

The United States produces a quarter of the world's output of greenhouse gases.

Staff writer Anita Baker contributed to this report.

Tuesday October 21 10:56 PM EDT

Clinton to Unveil US Global Warming Proposals

By Randall Mikkelsen

WASHINGTON (Reuters) - President Clinton will propose Wednesday to fight global warming by stabilizing industrial nation emissions of "greenhouse" gases at 1990 levels by around 2010, industry sources said Tuesday.

Environmental and business sources, briefed by senior White House officials involved in the issue, said Clinton will propose giving countries flexibility in meeting the targets within a multi-year "budget period," and creating incentives for early emissions reductions in the United States.

White House spokesman Mike McCurry said Tuesday Clinton had made most of the key decisions related to the proposal, and was speaking with leaders of industrial countries to gauge prospects for an international global-warming treaty to be hammered out in Japan in December.

"He continues to believe it's going to be difficult ... I think everyone knew that going into this process," McCurry said.

Clinton faced conflicting pressures from foreign leaders, business interests and environmentalists as he sought a way to limit emissions of gases thought to cause global warming without hurting the economy of the United States, which leads the world in emissions with 20 percent of the total.

U.S. environmental and business sources said Clinton's plan will call for industrial nations to reduce emissions to 1990 levels within a multi-year window around the year 2010.

Some sources said the window, or "budget period," would last from 2008 to 2015, while others said Clinton had narrowed that range to four years. Emissions would be averaged over that period to determine whether the targets were met.

The plan also would include a system of tradable "permits" for emissions, and include financial incentives for reducing emissions early in the United States, said Dan Becker, a climate change expert with the Sierra Club.

The sources said a cap on permit prices, envisioned as an "escape valve" in the system, was no longer under consideration. Clinton also may propose legislative or regulatory measures to reduce emissions, the sources said.

It was unclear how Clinton's proposals would treat developing nations, whose emissions of greenhouse gases are expected to grow rapidly.

Clinton has said any treaty must also encompass commitments from developing nations.

White House officials declined to comment on any specifics of the proposals.

The U.S. position is to be presented at talks that began this week in Bonn on a treaty to fight global warming by limiting the emissions of carbon dioxide and other so-called "greenhouse gases."

The gases are thought to trap heat in the atmosphere and contribute to a gradual warming of Earth's climate that would disrupt weather patterns and raise sea levels.

The Bonn meeting is the final round of negotiations before a 150-nation climate-change conference in Kyoto, Japan, in December that aims at adopting the treaty.

The main battlegrounds over the treaty were how strictly to limit emissions on greenhouse gases, which come primarily from the burning of fossil fuels central to industrial economies, and how to treat developing nations.

McCurry declined to say whether Clinton would unveil specific emissions targets when he outlines the U.S. position in a speech Wednesday to business people, scientists and environmentalists at 2:40 p.m. EDT at the National Geographic Society, but hinted that he might do so.

Asked if Clinton would address the emissions issue, McCurry said: "He will discuss a range of issues that are central to reducing greenhouse gas emissions, producing binding targets that can be achieved through flexible implementation over time that will lead to curbs on the greenhouse gas emissions that are responsible for global warming."

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Clinton to Offer Modest Plan for Reducing Gases Linked to Global Warming

By Joby Warrick and Peter Baker
Washington Post Staff Writers
Wednesday, October 22, 1997; Page A16
The Washington Post

President Clinton plans to announce a package of relatively moderate measures today intended to scale back the "greenhouse gases" blamed for global warming, embracing far less ambitious goals than advocated by other industrial powers in Europe and Asia.

After months of contentious debate within his administration, Clinton settled on an approach that tries to balance voluntary incentives with mandatory ceilings in an effort to satisfy environmentalists while assuaging domestic critics who fear that tougher limits would strangle the booming U.S. economy.

The White House would not discuss specifics late yesterday, but according to business and environmental leaders briefed by the administration, Clinton planned to propose phasing in mandatory reductions in greenhouse gases in several stages over the next 20 years. The first target would require the United States and other nations to reduce emissions back to 1990 levels between 2008 and 2012. A second target would call for a 5 percent reduction from 1990 levels between 2013 and 2017.

The president's plan also would include a variety of tax breaks and other provisions designed to make it more economical for industry to curb its pollution on its own even before any binding targets take effect.

Clinton spent much of yesterday consulting with foreign leaders by telephone and with top aides at the White House, struggling to put the final touches on his proposal before announcing it in a speech at the National Geographic Society this afternoon.

Such a plan would place the administration on a moderate course that could gain the support of some centrist environmental groups as well as more progressive businesses. However, some activists immediately rejected

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the reported package as too weak. As White House officials calculate it, far more restrictive measures favored by some environmentalists would ultimately doom the chances of congressional approval.

Yet Clinton also risks a bruising battle with key U.S. allies, which are pressing for far more dramatic measures when international leaders meet to produce a global treaty on climate change in Kyoto, Japan, in December. Japan wants a 5 percent cut in emissions by 2010; the European Union is pushing for a 15 percent reduction.

Mindful of that, Clinton called several foreign leaders yesterday in an attempt to reach some consensus before unveiling his plan, apparently including Japanese Prime Minister Ryutaro Hashimoto, British Prime Minister Tony Blair, German Chancellor Helmut Kohl and Canadian Prime Minister Jean Chretien.

However, aides said those calls reinforced the hard road ahead of Clinton. "He continues to believe it's going to be difficult, but he always knew that," said White House press secretary Michael McCurry.

Several environmental groups offered cautious praise of Clinton's strategy yesterday, though they reserved judgment until they saw a final plan.

"We want to support Clinton for going out on a bit of a limb, and against some of his economists," said Adam Markham of the World Wildlife Federation. "It should get us in a good negotiating position going in to Kyoto."

Fred Krupp, executive director of the Environmental Defense Fund, said his group would be most interested in hearing details of the incentive programs, such as pollution-reduction credits for businesses. "If we give companies credit for doing what they're supposed to do, we stimulate a hunt for ways to reduce carbon," he said.

However, Greenpeace condemned the administration. "Greenpeace believes this position is totally unacceptable and that if it were adopted at Kyoto, Kyoto would be a failure," the group said in a statement. "Clinton/Gore must come back with something stronger in order for the Kyoto Summit to create an agreement that would reflect the true danger of climate change."

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The New York Times

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Circ: 1,187,950

Clinton Alters His Approach Over Warming

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By JOHN H. CUSHMAN Jr.

WASHINGTON, Oct. 21 — Stung by complaints that it is moving too slowly against global warming, the Clinton Administration has devised a set of rewards for companies that cut emissions of heat-trapping gases faster than the Government would require under a pending international treaty.

The approach, to be outlined in a speech by President Clinton on Wednesday, is meant to mollify environmental groups and European nations that have been demanding deep, early cuts in emissions. The Administration has resisted those calls out of fear that aggressive action might cause too much economic pain.

Even as the White House wrestled with the details of its latest plan today, aides were testing its appeal among business and environmental groups whose support could be crucial to its success. Administration officials and people who had been briefed described the plan's outlines, but cautioned that important elements had still not been decided by Mr. Clinton.

The United States is under pressure to explain its approach this week, as negotiations resume in Bonn on a treaty to reduce the world's emissions of pollutants that are building up in the atmosphere and threatening to disrupt the planet's climate during the coming century.

Carbon dioxide, the main heat-trapping gas, comes primarily from the burning of fossil fuels. With the economy booming and energy cheap, United States emissions have been accelerating.

The Administration's new approach has several elements, which include these:

¶Energy producers and consumers that reduce emissions quickly would get credits, so that those moving fastest would benefit the most when, as the Administration envisions, the Government issues pollution permits that companies can buy and sell. This trading of pollution permits is the Administration's favored approach for letting the marketplace choose how to reduce emissions.

¶Instead of a fixed deadline for reducing emissions, the United States would try to achieve its target within a few years on either side of a deadline. That would help to encourage companies to comply earlier.

¶Tax incentives and subsidies, requiring Congressional approval, would also prompt companies to move more quickly.

The new approach would not substantially change the Administration's basic goal: to require in the new treaty that industrial nations emit no more of the gases in 2010 than they did in 1990.

The Administration is expected to propose at the talks in Bonn that industrial nations meet that target, as an average, during a multiyear period falling around 2010, probably during the period from 2008 to 2012.

The Administration will also suggest that deeper reductions occur in later periods, perhaps a 5 percent cut below 1990's levels as 2020 approaches.

A White House official cautioned tonight that although President Clinton was attracted to the multiyear-average approach, he was concerned that the plan was too complicated and might have to be simplified.

By giving extra credit to those companies that lowered emissions fastest, the new approach would seek to put the United States, whose steadily growing emissions currently account for nearly a quarter of the world's output of greenhouse gases, on a downward slope as early in the 21st century as possible.

The initial reductions would be modest, but they would come soon. To meet the targets envisioned by the Administration, the United States would, as a practical matter, have to cut emissions by about 1 percent a year on average beginning in 1998.

To help reverse the current trend of growing emissions, the Administration would seek from Congress a package of about $5 billion in research spending, tax credits and other incentives for companies. This package would be in addition to the plan for pollution permit credits.

The Administration also wants to make sure that the deregulation of the electric utility industry does not lead to growing emissions of carbon dioxide from power plants that burn coal and other dirty fuels. Mr. Clinton is expected to address this issue as well in his new plan.

In drafting the speech that he is to deliver on Wednesday, at the National Geographic Society here, the President drew upon a set of options presented by senior economic and environmental aides last week. He basically took the most aggressive approach offered — one that environmental groups had criticized as too weak — and tried to strengthen it by providing more incentives for early action.

With the details still incomplete tonight, business and environmental groups that were told of the plan were reluctant to pledge their support.

"It could be viewed as a good minimum ante to put on the table in the negotiations" at Bonn, said Howard Ris, executive director of the Union of Concerned Scientists, which favors deep cuts in emissions. "The President has clearly rejected the do-nothing approach."

INTERNATIONAL HERALD TRIBUNE, TUESDAY, OCTOBER 21, 1997

How Clinton's Goals for Cleaner Air Clouded

By John H. Cushman Jr.
New York Times Service

WASHINGTON — Four years ago, President Bill Clinton declared that by the end of the decade his administration would reverse the increase in U.S. emissions of pollutants that threaten to warm the planet's climate.

As he released a 50-point plan, the president announced "our nation's commitment to reducing our emissions of greenhouse gases to their 1990 levels by the year 2000." To skeptics who called the plan weak, he promised periodic reviews and modifications to keep the reduction of emissions on track.

Mr. Clinton's promise, and how the United States is now breaking it, will be at the heart of the administration's problem this week in Bonn, when representatives from around the world meet on the climate.

They will be negotiating how quickly industrial nations must rein in their emissions of carbon dioxide and other so-called greenhouse gases that build up in the atmosphere and trap the heat of the sun.

The talks are supposed to end in December in Kyoto, Japan, with a new treaty on climate change to strengthen the one most of the nations worldwide agreed to in Rio de Janeiro in 1992.

While the United States has called for a binding new treaty, it is also calling for what the White House calls realistic targets and timetables for reducing emissions.

At the current rate of growth, the emission of greenhouse gases by the United States will be 13 percent above its 1990 level by the end of the decade.

The administration has indicated that most likely it will postpone until 2010 or beyond the goal that Mr. Clinton pledged the United States would meet by 2000. The reason, many critics say, is that his government has refused to impose mandatory measures, like requiring the fuel efficiency of automobiles to be increased, or raising energy taxes to force people to conserve. Greenhouse gases come mostly from burning fossil fuels, like coal and oil, and one of the best ways to reduce emissions is to save energy.

"The only thing we know for absolute certain is that voluntary programs won't work," said Jessica Tuchman Matthews, president of the Carnegie Endowment for International Peace. "And that is progress. It was probably a stage that we had to go through."

Kathleen McGinty, the top environmental aide at the White House, cited three main reasons for the failure of the 50-point plan to achieve its goals: congressional cuts in financing for energy conservation, the unexpectedly high rate of economic growth and fuel prices that were lower than anticipated.

Other factors, too, have undermined the Clinton administration's efforts. Congress temporarily blocked the Energy Department from issuing new energy-efficiency standards for household appliances, and the Energy Department failed to issue new efficiency standards for electrical-distribution transformers on power lines, where about 7 percent of all the nation's power simply leaks away.

A proposal to label car tires so that consumers could tell which ones provided the best gasoline mileage went nowhere; the same fate awaited a tax proposal to discourage employers from subsidizing parking spaces for employees. And forestry agencies missed goals for planting trees, which absorb carbon dioxide from the atmosphere.

Only 70 percent of the projected reductions in greenhouse gases materialized, and even these reductions were offset when the booming economy spurred demand for fossil fuels.

When Mr. Clinton issued his action plan four years ago, he projected that it would reduce greenhouse-gas emissions by about 109 million tons a year by 2000. That would be enough to return emissions to their 1990 level: 1.58 billion tons of carbon. Instead, emissions in 1995 totaled 1.67 billion tons.

Michael Oppenheimer, a climate scientist at the Environmental Defense Fund, said the reductions achieved so far were "nothing to sneeze at."

"It is a very big achievement that voluntary programs were able to do that well," he said. "The trouble is, the legs were cut out from under the voluntary program. Volunteerism works a lot better when it is matched up with mandatory measures."

The Clinton administration wants to impose a new cap on future greenhouse gases. Under its plan, companies would be given permits to emit greenhouse gases, but at a reduced level.

Companies that can inexpensively reduce their emissions below the cap would be allowed to sell their excess permits to companies that have a harder time cutting emissions.

■ Rise in Emissions

Joby Warrick of The Washington Post reported:

Emissions of greenhouse gases from cars, factories and power plants in the United States rose sharply last year, by 3.4 percent over 1995, according to a new Energy Department analysis.

"Although U.S. emissions have been growing since 1991, their growth accelerated in 1996," the report said. It described the rise last year as "the highest rate of increase in years." In comparison, U.S. emissions rose just over 8 percent in the previous six-year period.

The report attributed the increase in part to a robust economy and higher prices for natural gas, which is a relatively clean fuel. The price rise has slowed the switch from dirtier energy forms such as coal, which is still the fuel of choice for many of the nation's electric utilities.

Breaking News
FROM A.P.
The New York Times ON THE WEB

October 21, 1997

U.S. Wants Slower Pollution Cuts

Filed at 9:48 p.m. EDT

By The Associated Press

WASHINGTON (AP) -- President Clinton will propose to tackle global warming gradually, beginning with domestic tax breaks to reduce greenhouse gases followed by internationally binding pollution cuts phased in over several years, sources familiar with the package said Tuesday.

While details remained to be worked out, the broad outline of the U.S. proposal at upcoming talks in Japan includes a complex proposal for industrial nations to first stabilize carbon releases into the air at 1990 levels by 2008-2012 and then begin making slight reductions.

Clinton called world leaders this week to try to build an international consensus position on global warming in advance of climate negotiations in Kyoto, Japan in December.

He was to announce the U.S. position for the Kyoto talks in a speech Wednesday at the National Geographic Society headquarters in Washington. The administration has been criticized by some environmentalists -- as well as European leaders -- for not presenting its position earlier.

The Europeans already have said they would press for a more aggressive agenda for cutting heat-trapping gases that many scientists fear will lead to a warming of the planet. They want a 15 percent cut in emissions below 1990 levels by 2010 with no multi-year phase in.

Without being specific, Clinton said at a fund-raiser Tuesday night for Senate Democrats that he was ``prepared to see the United States take the lead'' in addressing the global warming issue.

``I refuse to hide our heads in the sand; we have to face that,'' he said. ``But I am not a pessimist. Every single action the United States has taken since 1970 to clean up our environment has led to more jobs, a diversifying economy, a stronger American economcy, a modern Aermican future. And so will this.''

According to four sources, including a senior administration official, Clinton will: