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Administration Documents on Climate Change 1996 and 1997 (Bill Antholis' Files) [1]

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Administration Documents on Climate Change

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1.

Potus Statements on Climate Change

Remarks by the President Clinton and President Cardoso
at Signing of Declaration on Education
Garden of Alvorada Palace, Brazilia, Brazil, October 14, 1997

Remarks by the President at DNC Young
Democrats Council Reception
CoreStates Arena, Philadelphia, Pennsylvania, October 8, 1997

Remarks by the President at DNC Reception
The Kushner Companies, Florham Park, New Jersey, October 8, 1997

Remarks by the President to Weather Forecasters
East Room, October 1, 1997

Remarks by the President to the 52nd Session of the United Nations General Assembly
United Nations, New York, New York, September 22, 1997

Remarks by the President at DNC Dinner
The Mayflower, Washington, D.C., August 7, 1997

Remarks by the President on Climate Change
The Cabinet Room, August 4, 1997

Opening Remarks by the President and the Vice President at the Lake Tahoe Forum
Hyatt Hotel, Incline Village, Nevada, July 26, 1997

Remarks by the President in Address to the United Nations
Special Session on Environment and Development
United Nations, New York, New York, June 26, 1997

Opening Remarks by the President and Vice President at
Discussion on Climate Change
East Room, July 24, 1997

Remarks by the President on the Environment
Braulio Carrillo National Park, Costa Rica, May 9, 1997

Remarks by the President and Vice President Upon POTUS's Departure for North Dakota
The South Lawn, April 22, 1997

Statement by the President on Signing of H.R. 3816, the "Energy and
Water Development Appropriations Act, 1997"
Written from the White House, October 1, 1996

Remarks by the President at White House Conference
on Climate Change
The South Lawn, October 19, 1993

Remarks by the President in Earth Day Speech
U.S. Botanical Gardens, Washington, D.C., April 21, 1993

2.

VPOTUS Statements on Climate Change

Remarks by Vice President Al Gore at the United Nations General
Assembly Special Session on the Environment and Development
United Nations, New York, New York, June 23, 1997

Prepared Remarks of Vice President Al Gore: The Technology Challenge: What is the
Role of Science in American Society?
American Association for the Advancement of Science, Baltimore, MD, February 12, 1996

Remarks by the Vice President on Global Climate Change
George Washington University, Washington, D.C., March 17, 1995

3.

Under Secretary of State Tim Wirth's Testimony

Senate Foreign Relations Committee, Subcommittee on International
Policy, Export, and Trade Promotion, October 9, 1997
Senate Foreign Relations Committee, Subcommittee on International
Policy, Export, and Trade Promotion, June 19, 1997
Conference on Climate Change, Evolving Technologies, U.S. Business,
and the World Economy in the 21st Century, June 18, 1996
Senate Energy and Natural Resources Committee, September 17, 1996

4.

Chair Janet Yellen's Testimony

House Commerce Subcommittee on Energy and Power, July 15, 1997

5.

Eileen Claussen's Testimony

House Commerce Subcommittee on Energy and Power, September 26, 1996

6.

*White House Conference on Climate Change:
The Challenge of Global Warming
October 6, 1997*

7.

*USAID Climate Change Action Plan
October 1997*

8.

*EIA Study: Emissions of Greenhouse Gases in the United
States in 1996
October 1997*

9.

*PCAST Study
September 30, 1997*

10.

*5 Labs Study: Scenarios of U.S. Carbon Reductions
September 22, 1997*

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*EPI Report: Accelerating Globalization?
September 17, 1997*

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*ESI Report: The Global Climate Debate
September 1997*

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*IAT Study: Economic Effects of Global Climate Change Policies
June 1997*

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*Draft Protocol to the Framework Convention on Climate Change
January 28, 1997*

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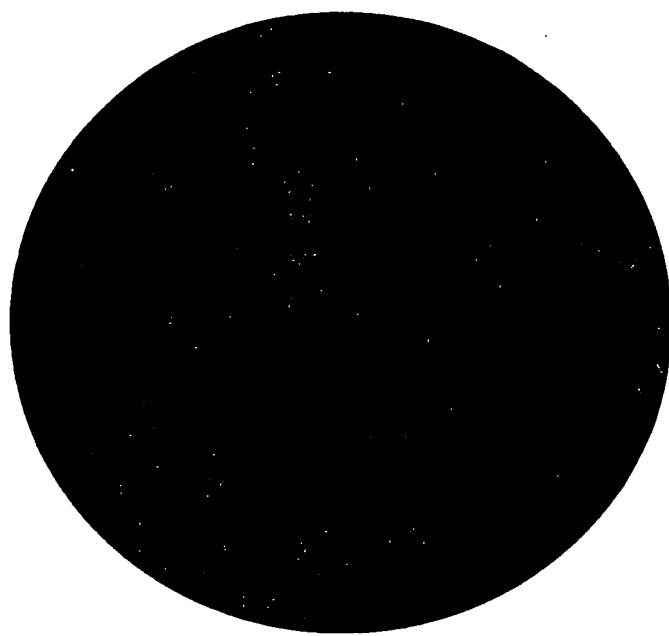
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Divider Title: _____

**PRESIDENT CLINTON ANNOUNCES THE UNITED STATES
CLIMATE CHANGE POLICY**



**NATIONAL GEOGRAPHIC SOCIETY
GILBERT H. GROSVENOR AUDITORIUM
Washington, D.C.**

October 22, 1997

PRESIDENT CLINTON'S CLIMATE CHANGE PROPOSAL

October 22, 1997

Global climate change is the premier environmental challenge and opportunity of the 21st century, and the risks it poses justify sensible preventive steps. Addressing this issue is one of the United States' greatest imperatives, for this and future generations. Recognizing the solid foundation of climate science, President Clinton is committed to strong and sensible action to reduce greenhouse gas emissions -- including realistic and binding emissions targets.

Key elements of President Clinton's climate change proposal include:

- **Binding Targets to Reach 1990 Emissions Levels by 2008-2012 and Reductions Below 1990 Levels in the 5-Year Period That Follows.** A critical component of the President's comprehensive framework is a realistic, achievable, and binding target of reducing greenhouse emissions to 1990 levels by 2008-2012 and reductions below 1990 levels in the 5-year period that follows.
- **\$5 Billion Program of Tax Cuts and R&D for New Technologies.** To spur energy efficiency and the development of new technologies, the President proposes a major new package of tax cuts and R&D spending amounting to \$5 billion over five years.
- **Industry-by-Industry Consultations and Early Credit.** The Administration challenges key industries to prepare plans over the next 9 months on how they can best reduce emissions. To provide an incentive for near-term actions to cut emissions, the President is committed to ensuring appropriate rewards for firms that act early.
- **Developing Countries Must Participate.** Climate change is a global problem, and requires a global solution. That's why the United States has spear-headed joint implementation projects, and the President has committed that the United States will not adopt binding obligations without developing country participation.
- **Broad-Based Domestic and International Emissions Trading System Begins After A Decade of Experience Has Accumulated.** The President is committed to a market-based emissions trading system, both domestically and internationally, that will harness the power of the market to reduce emissions to 1990 levels by 2008-2012. The trading system would begin after a decade's worth of experience with tax incentives, R&D, early credit, electricity restructuring, Federal efforts, and other measures.

BINDING TARGETS: The U.S. binding target is realistic: It seeks to return U.S. emissions to 1990 levels in the period 2008-2012 and reduce them further thereafter. We reject the European proposal for more stringent early reductions, as well as the "do-nothing" approach of some interests. The target is achievable: By providing incentives for early action to reduce emissions, attacking domestic energy inefficiencies, and putting in place a market-based emissions trading system, we can reach 1990 levels in the proposed time frame with minimal economic costs. And it is meaningful: Achieving 1990 levels in the period 2008-2012 would amount to almost a 30 percent reduction off a business-as-usual path, an important first step on the road toward stabilizing greenhouse gas concentrations in the atmosphere.

SOLID PRINCIPLES: The President's five climate change principles include: that the policies should be guided by science, rely on market-based, common-sense tools, that we should seek win-win solutions, that global participation is essential to addressing the global problem of climate change, and that we must have regular common-sense reviews of the economics and science of climate change.

SOUND AND SENSIBLE THREE-STAGE APPROACH: Reflecting his five key principles, the President's plan includes three stages: Stage 1 includes priming the pump through programs such as R&D, tax incentives, incentives for early action, and Federal leadership, and industry consultations. Stage 2 builds upon the first stage by including a review and evaluation in preparation for the permit trading system. Stage 3 -- which does not occur for a decade -- involves meeting binding targets through a domestic and international emissions trading program. The President is committed to working with labor and Congress to insure that we give proper assistance to any workers dislocated by the changes in energy usage inherent in any climate change plan.

INITIAL ACTION PLAN: The President's immediate action plan includes 9 elements:

1. *\$5 Billion in Tax Cuts and Federal R&D:* To spur energy efficiency and encourage the development and deployment of lower-carbon energy sources, the Administration supports a major new package of tax cuts and R&D spending amounting to \$5 billion over five years.
2. *Credit for Early Action:* To provide an immediate incentive for near-term actions, the President is committed to ensuring that firms acting early are rewarded appropriately.
3. *Industry-by-Industry Consultations:* The Administration challenges key industry sectors to prepare plans over the next 9 months on how they can best reduce emissions.
4. *Encouraging the Use of Energy-Efficient Products:* The President will complement his tax incentives, commitment to early action credit, and industry consultations by engaging in a broad-based effort to expand the use of *existing* energy-efficient technologies.
5. *Federal Procurement and Energy Use:* The Department of Energy will spearhead a comprehensive effort to reduce greenhouse gas emissions from Federal sources.
6. *Electricity Restructuring:* To deliver a significant downpayment on emission reductions, while saving consumers billions, we will pursue a bold plan for electricity restructuring.
7. *Setting a Concentration Goal:* The United States supports developing a specific, long-term concentration goal with the assistance of the National Academy of Sciences and other bodies.
8. *Bilateral Dialogues:* In addition to pursuing agreement in Kyoto, the Administration will pursue bilateral dialogues with key developing countries to promote clean energy.
9. *Economics and Science Reviews:* The President proposes regular scientific and economic reviews. These reviews will ensure that policy-makers have the best possible information on climate change.

WIN-WIN: There are numerous win-win solutions to reducing carbon emissions. For example, a breakthrough in fuel cell technology announced yesterday will clear the way toward developing cars that are three times as efficient as today's models -- cutting pollution while also cutting driving costs.

INITIAL CLIMATE CHANGE ACTIONS

October 22, 1997

President Clinton has proposed nine immediate actions to begin addressing climate change:

1. *Tax Cuts and Federal R&D:* To spur energy efficiency and the development of lower-carbon energy sources, the Administration supports a major new package of tax cuts and R&D spending amounting to \$5 billion over five years. Many of the ideas from the recent report of the President's Committee on Science and Technology (PCAST) will be considered in constructing this package.

2. *Credit for Early Action:* To provide an immediate incentive for near-term actions to cut emissions, the Administration is committed to ensuring that firms which act early are rewarded appropriately. We will work with companies to build a program that appropriately rewards those who take prompt and early actions before the beginning of the mandatory emissions budget period in Stage 3.

3. *Industry-by-Industry Consultations:* The Administration challenges key industry sectors to prepare plans over the next 9 months on how they can best reduce emissions, including how the Federal government can remove regulatory hurdles that discourage energy efficiency. The Administration will work in partnership with industry to develop sensible efficiency standards in a variety of areas.

4. *Encouraging the Use of Energy-Efficient Products:* As the Department of Energy's 5-Labs study illustrates, many existing technologies produce win-win solutions to reducing carbon emissions -- but nonetheless are still not widely used. The President is committed to expanding their reach. He will therefore complement his other programs by engaging in a broad-based effort to expand the use of *existing* energy-efficient technologies -- while also spurring the development of *new* technologies.

5. *Federal Procurement and Energy Use:* To reduce greenhouse gas emissions from Federal sources, DOE will spearhead a comprehensive effort that includes expanded performance contracting to make Federal buildings more energy-efficient, improved Federal procurement of energy-efficient technology, and partnerships to improve the energy efficiency of Federal aircraft, ships and vehicles. Federal agencies will also be called upon to assess emissions in major initiatives.

6. *Electricity Restructuring:* To spur further efforts to clean our air and deliver a downpayment on greenhouse gas emission reductions, while saving consumers billions, we will pursue a bold plan to restructure the energy sector. It is time to change the rules that are often more than 70 years old -- stifling innovations that can save money and impede newer, cleaner technologies.

7. *Setting a Concentration Goal for Greenhouse Gases in the Atmosphere:* The goal of the existing climate treaty is to stabilize concentrations of greenhouse gases, but the specific concentration has never been defined. The U.S. supports developing a specific, long-term goal, with the assistance of the National Academy of Science and other appropriate bodies.

8. *Bilateral Dialogues:* In addition to pursuing agreement in Kyoto, the Administration will pursue bilateral dialogues with key developing countries to promote clean energy.

9. *Economics and Science Reviews:* The President proposes regular scientific and economic reviews, to ensure that policy-makers have the best possible information on climate change.

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PRESIDENT CLINTON'S FIVE CLIMATE CHANGE PRINCIPLES

October 22, 1997

Global climate change is the premier environmental challenge and opportunity of the 21st century, and the risks it poses justify sensible preventive steps. Addressing this issue is one of the United States' greatest imperatives, for this and future generations. Recognizing the solid foundation of climate science, President Clinton is committed to strong and sensible action to reduce greenhouse gas emissions -- including realistic and binding emissions targets.

President Clinton's climate change plan is based on **five key principles**:

- **Guided by science.** The vast majority of the world's scientists have concluded that if the countries of world do not work together to cut greenhouse gas emissions, temperatures will rise and disrupt the global climate. Indeed, most scientists say this process has already begun. But there is much we still don't know about how the climate and human health will react to increased greenhouse gas concentrations. That's why the President's plan includes regular science reviews, to ensure that our policies are guided by the best science available.
- **Market-based, common-sense tools.** We have learned that the costs of protecting the environment is substantially lower if we harness the power of markets to do so. That's why the President's plan emphasizes flexible and market-based mechanisms. His plan includes a domestic and international permit trading system for greenhouse gas emissions, similar to the highly successful permit trading system that has dramatically cut acid rain at a fraction of the predicted cost.
- **Seek win-win solutions.** There are a multitude of win-win solutions to reducing carbon emissions, that can improve our energy efficiency and save consumers money. For example, a breakthrough in fuel cell technology announced yesterday will clear the way toward developing cars that are twice as efficient as today's models -- cutting pollution while also cutting driving costs. The President believes that we must seek such win-win solutions to addressing climate change.
- **Global participation.** Climate change is a global problem, and requires a global solution. A ton of carbon emitted in Argentina has just as much effect on the global climate as a ton of carbon emitted in the United States -- and within the next few decades, emissions from developing countries are expected to exceed those from developed countries. And many win-win opportunities exist to reduce greenhouse gas emissions in developing countries. That's why the United States has spear-headed joint implementation projects and the President has committed that the United States will not adopt binding obligations without developing country participation.
- **Common-sense economic reviews.** Our knowledge of the challenges and opportunities we face will grow over time. Therefore, the President is calling for regular 5-year economic reviews and updates, to ensure that policy-makers, both in the Administration and in Congress, have the best possible information on how the economy is responding to the effort to address climate change, how other countries are performing relative to their own commitments, and how the climate is changing in response to human activities.

THE PRESIDENT'S THREE-STAGE PLAN ON CLIMATE CHANGE

October 22, 1997

Reflecting his five key principles, the President's plan will proceed in three stages:

- **Stage 1: Priming the Pump Through R&D, Tax Incentives, Incentives for Early Action, Federal Leadership, and Industry Consultations.** The first stage of the President's package includes a 9-point action plan -- including \$5 billion in tax incentives and spending for R&D and energy efficiency, incentives for early action, a set of Federal government energy initiatives, and industry-by-industry consultations to explore their best ideas on how to reduce emissions in a cost-effective manner (including market-oriented standards for energy efficiency). The first economic review would occur near the end of Stage 1.
- **Stage 2: Review and Evaluation.** The second stage, which would begin around 2004, will build upon the programs adopted in Stage 1, by including a review of our progress and an evaluation of next steps as we move toward a market-based permit trading system for carbon emissions. During this second stage, the details of the permit system would be refined and perhaps tested. Such a permit system is similar in concept to the one that dramatically cut acid rain emissions -- although the scale would be significantly larger than the current acid rain program. The second economic review would occur near the end of Stage 2.
- **Stage 3: Meeting Binding Targets Through Domestic and International Emissions Trading Program.** In the third stage, we would reduce emissions to 1990 levels by 2008-2012, and below 1990 levels in the 5-year period after that, through a market-based domestic and international emissions trading system. Before beginning this third stage, the second economic update and review would allow Congress and the President to evaluate how the economy had responded to a decade's worth of experience in the first two stages of the President's plan. The President is committed to working with labor and Congress to insure that we give proper assistance to any workers dislocated by the changes in energy usage inherent in any climate change plan.

This three-stage program recognizes the long-term nature of the effort to address climate change in three ways:

- By adopting a graduated approach to emissions reductions, it allows us to exploit the tremendous opportunities for win-win reductions first.
- By adopting a system of regular scientific and economic updates and reviews, it allows us to monitor our progress and re-assess our success in reducing emissions, the state of scientific knowledge, and how the economy is responding to our efforts. Only after we have accumulated ten years of experience with the first two stages of the program would we enter the internationally binding period.
- By insisting that the United States will not adopt binding obligations without developing country participation and by emphasizing the importance of an international trading system and joint implementation, we take advantage of low-cost reduction possibilities wherever they occur -- either here or abroad.

COMPREHENSIVE FRAMEWORK FOR EFFECTIVE, SENSIBLE ACTION

October 22, 1997

GREENHOUSE GAS EMISSION REDUCTION TARGET

Under the current international climate change agreement (signed in Rio de Janeiro in 1992), industrialized countries accepted a non-binding emissions reduction goal. Most nations, including the United States, will fall short of meeting it. This fact, coupled with better scientific evidence on the seriousness of the climate change threat, led the U.S. to propose last year that a new agreement set binding limits on emissions. The proposed U.S. emissions target is designed to provide important environmental gains while maintaining strong economic growth. It is:

- **Realistic.** Seeks to return U.S. emissions to 1990 levels in the period 2008-2012 and reduce them further thereafter. Rejects European proposal for more stringent early reductions, as well as the “do-nothing” approach of some interests.
- **Achievable.** By providing incentives for early action to reduce emissions, attacking domestic energy inefficiencies, securing flexible international implementation mechanisms, and putting in place a market-based domestic emissions trading system, the U.S. can reach 1990 levels in the proposed time frame with minimal economic costs.
- **Meaningful.** Achieving 1990 levels in the period 2008-2012 would amount to almost a 30 percent reduction off a business-as-usual path, an important first step on the road toward stabilizing concentrations of greenhouse gases in the atmosphere. Emissions accounting will include all greenhouse gas sources and sinks (including reforestation).

FLEXIBLE, MARKET-BASED IMPLEMENTATION

Just as the effects of climate change will be felt globally, so too are the causes of climate change global in nature. Greenhouse gas emissions do equal harm to the atmosphere whether they come from a coal plant in China or a bus in Boston. For this reason, any regime to reduce greenhouse gases must be global. It must also allow all nations the ability to seek out the most efficient way of reducing emissions so that the greatest gains are achieved at the least cost. For these reasons, the United States strongly supports the inclusion in a new climate change agreement of two innovative, flexible mechanisms for reducing emissions:

- **International Emissions Trading –Using Markets to Lower Costs.** The principle of emissions trading is to use the efficiency of the market place to achieve environmental objectives at the lowest possible cost. Under an international emissions trading regime, a country (or firm) would be able to meet its emissions reduction target by reducing pollution itself, purchasing reductions from another country (or firm) that was able to achieve excess gains, or some combination of both.
- **Joint Implementation –A Global Solution to Low-Cost Reductions.** Joint Implementation (JI) is an innovative, market-based approach for addressing global climate change that uses international partnerships to achieve low-cost reductions in greenhouse gas emissions. Under JI, a company in the United States invests in a project which reduces emissions in another country and uses those reductions as a less expensive means of meeting its own target.

PARTICIPATION OF DEVELOPING COUNTRIES

In addition to its non-binding emissions reduction aim for developed countries, the Rio climate change agreement required all countries to take policies and measures to reduce emissions. Many developing countries have made real strides, through, for example, reducing energy subsidies. Nevertheless, given that developing country emissions will eclipse those from the developed world within several decades, these countries need to do more. Accordingly, the U.S. calls on developing countries to strengthen their existing commitments and to agree that their obligations must increase over time to include binding emissions limits. Our principles include:

- **Global Participation.** All countries must participate. Every nation would be required to take meaningful actions to limit emissions. The U.S. will not assume binding obligations until developing countries agree to participate meaningfully in the challenge of addressing climate change.
- **Equity.** The obligations of poorer and less developed countries should take into account their state of economic development and their relative contribution to the climate change problem.
- **Assistance.** While insisting that developing countries take meaningful actions to address climate change, the U.S. recognizes that many of these countries face significant development challenges that hamper their ability to reduce emissions. President Clinton is reemphasizing his commitment to working with these nations to help build more sustainable energy futures. This includes a \$1 billion package of assistance from USAID and a renewed commitment to provide financial assistance through the Global Environment Facility, as well as our pathbreaking joint implementation proposals.

FACT SHEET ON INTERNATIONAL EMISSIONS TRADING

October 22, 1997

Description

The principle of emissions trading is to use the efficiency of the market place to achieve environmental objectives at the lowest possible cost. Under an international emissions trading regime, a country (or firm) would be able to meet its emissions reduction target by reducing pollution itself, purchasing reductions from another country (or firm) that was able to achieve excess gains, or some combination of both.

Given an effective international regime, emissions trading provides a powerful incentive for nations to reduce below the amount required and then sell excess reductions to others who in turn avoid more costly actions. The U.S. has proposed that emissions trading be permitted among all countries that agree to a binding emissions target.

How it would work

Consider a simplified example for how international emissions trading might work. Country A and Country B must reduce emissions by 100 tons each. It might cost each country \$1,000 to reduce 100 tons individually for a total cost of \$2,000. However, if Country A could reduce its emissions by 200 tons for a total cost of \$1,500 and sell half of these reductions to Country B, the overall target would be achieved for \$500 less, a savings of 25 percent.

U.S. experience

Emissions trading is being used successfully at the domestic level to reduce sulfur dioxide emissions (which cause acid rain) under the Clean Air Act. Achieving targeted reductions was originally estimated to cost \$5 billion annually if traditional controls had been required and \$4 billion with emissions trading. A GAO estimate after the initial stage of emissions trading now puts the cost at \$2 billion per year, or 60 percent below the original estimate with pollution reductions significantly ahead of schedule. Emissions trading has also been successful in cutting the costs of phasing out leaded gasoline and in curbing the production of chlorofluorocarbons which deplete the ozone layer.

Cost savings

According to the 1997 Economic Report of the President, international emissions trading for carbon dioxide could lower the cost of reductions by 50 percent below the minimum achievable using purely domestic programs.

FACT SHEET ON JOINT IMPLEMENTATION

October 22, 1997

Description

Joint Implementation (JI) is an innovative, market-based approach for addressing global climate change that uses international partnerships to achieve low-cost reductions in greenhouse gas emissions. Under JI, a company in the United States invests in a project which reduces emissions in another country and uses those reductions as a less expensive means of meeting its own target. The U.S. has proposed that a formal regime that gives credit for JI projects be part of a new climate change agreement.

How it would work

Consider the example of a project announced today as part of a pilot program on joint implementation instituted by the United States. Two U.S. companies (Solar Electric Power and Light of Washington, D.C. and Trexler and Associates, Inc of Oak Grove, Illinois) will work with Renewable Energy Services Company of Asia, Ltd. to market and install 812,000 solar home systems in Sri Lanka. These systems will replace the use of kerosene lamps for lighting and the use of diesel-electric charging of lead-acid batteries for powering small home appliances. The result will be a 1.5 million metric ton reduction in greenhouse gas emissions and cleaner energy for tens of thousands of people.

U.S. experience

Under the U.S. pilot program on JI (formed under the existing climate change convention), 28 projects have been approved in 12 countries, including Costa Rica, Bolivia, the Czech Republic, and Russia. These projects span a range of technologies, including solar, geothermal, and wind power; fuel switching for district heating; biomass energy; and reforestation. U.S. companies and organizations already participating include Commonwealth Edison, Wisconsin Electric Power, Kenetech Windpower, Sealweld Corp., American Electric Power, PacificCorp, Detroit Edison, Clean Air Coalition, and many others.

Benefits

Lower costs: JI provides a strong incentive for companies and countries to search the globe for the lowest cost ways of reducing greenhouse gas emissions.

Expanded exports of U.S. technology: The enormous potential for JI projects around the world creates major opportunities for the increased sale of U.S. energy efficiency and alternative energy technologies.

Technology transfer: Increased reliance on more energy efficient technologies and less carbon-intensive energy alternatives will help developing countries meet their growing energy needs with more environmentally sustainable solutions.

FACT SHEET ON ELECTRICITY RESTRUCTURING

October 22, 1997

As part of his climate change initiative, President Clinton announced his support for appropriately crafted electricity restructuring legislation that will save consumers billions of dollars while reducing carbon emissions.

Description

The electricity sector is our nation's most capital intensive industry -- and has sales of over \$200 billion. Under electricity restructuring, competition would be the primary mechanism to set electricity generation prices. Utilities would open up their distribution and transmission wires to all qualified sellers. The transmission and distribution of electricity would continue to be regulated because they will remain monopolies for the foreseeable future. The system would be restructured, not deregulated. Done correctly, this process can save consumers in their utility bills and reduce carbon emissions. A properly structured retail competition system can deliver electricity more efficiently, and just as reliably, as our present system of regulated monopolies.

Cost savings

Most experts are confident that restructuring will reduce the cost of electricity, although there is a diversity of views over the potential size of the savings. Because the industry is so large, even modest savings represent billions of dollars. DOE economists estimate potential savings of \$20 billion a year, which would mean average direct savings of about \$100 a year to a typical family of four and indirect savings to such a family through lower cost goods and services of about another \$100 a year. Other studies predict far larger savings.

Carbon reductions

With appropriate market-based provisions, electricity restructuring legislation could reduce carbon emissions by creating incentives to produce and use electricity more efficiently and with less pollution. As emphasized at the White House Conference on Climate Change, two-thirds of the energy used to produce electricity is currently wasted. Restructuring should introduce incentives for reducing this waste heat. Restructuring legislation could also include other provisions -- such as various incentives and mandates to promote energy efficiency and renewable energy -- that offer potential carbon savings.

Next steps

The Administration looks forward to working with interested parties on crafting comprehensive electricity restructuring legislation.

FACT SHEET ON FEDERAL ENERGY MANAGEMENT

October 22, 1997

Aggressive energy management can substantially reduce carbon emissions from the activities of the Federal government, which has the nation's largest energy bill at almost \$8 billion per year. Significant strides have already been made --energy consumption per square foot in Federal buildings is down 15 percent and energy use in civilian and military vehicles is down about 27 percent from 1985 levels. However, we can do much more.

The initiatives below will reduce Federal emissions of greenhouse gases through enhanced focus on energy efficiency and renewable energy. They address areas which can deliver the greatest energy savings, best leverage private sector funding and improve the Federal procurement system.

1. Expand Energy Savings Performance Contracting

- Expand use of Energy Savings Performance Contracts. ESPC uses private investment capital and expertise to accomplish energy and cost saving projects in Federal facilities. When a private sector firm which has invested in federal energy efficiency improvements is fully repaid from its share of the delivered savings, all additional savings accrue to the government. Streamlined ESPC contracts put in place by DOD and DOE are beginning to speed large investments in energy projects at Federal facilities. However, use of ESPC's is still limited in the Federal government. The Office of Management and Budget will lead an effort to increase their use. It will include new policy and budget guidance for agencies. ESPC authority can also be extended to other areas including:
 - *Leased Federal buildings.* These include buildings where the Government either pays for the energy use directly or in other building where ESPC can provide a better lease for the Government.
 - *Federal mobility.* There may be great potential for energy savings from more efficient energy use in aircraft, ships and vehicles.
 - *Water conservation.* Water conservation projects save energy because each gallon contains energy from pumping, heating, chilling or treatment.
 - *Non-federal facilities* where the Government makes indirect payment of energy expenses. These include, for example, National Guard facilities which the state owns but where the Federal Government covers utility expenses and public housing facilities which are Federally supported but owned by public housing authorities.
 - *State and local government facilities.* Federal energy experts can help transfer ESPC techniques to state and local governments so they can access this important approach to energy efficiency.

2. Improve Federal Procurement of Energy Efficient Technology

- *Accelerate the development of Product Energy Efficiency Recommendations.* These cover products that are in the top 25 percent of their class for energy efficiency or have Energy Star ratings, for example electric motors and air conditioning chillers. They provide a guide to Federal purchasers.

of the energy efficiency level to request in a specification or procurement.

- *Establish as standard practice, the purchase of energy efficient products for Government use.* Traditionally, federal purchases have been based on lowest price, ignoring the substantial savings many energy efficient products can achieve over their life. The Executive Office of the President will lead an interagency team to streamline and update Executive Orders and procurement practices to encourage the acquisition of these products. Use of alternative contracting vehicles to acquire energy-efficient products will be encouraged, and purchase of products in the top 25 percent of class for energy efficiency or conforming to Energy Star standards will become standard practice, subject to necessary exceptions. The initiative will be augmented by publication of a "best practices" buying guide and expanded training of purchasing decision-makers.
- *Use consolidated purchasing to stimulate markets and lower prices.* Consolidated Federal purchasing can stimulate commercial markets for new and emerging products which offer greater energy efficiency, lower operating costs, and sales opportunities for small businesses that produce these products.
- *Increase Federal procurement of renewable energy.* In states that have implemented retail competition in their electricity industry, Federal facilities will work with their suppliers to ensure that the facilities purchase competitively supplied non-hydro renewable energy at levels equivalent to the percentage specified in that state's retail competition legislation.
- *Report Federal Agencies' Contributions to Reduction of Carbon Emissions.* This initiative will develop an appropriate measurement methodology to convert currently available data on Federal energy use to carbon emissions to aid national carbon reduction efforts.

3. Building for the 21st Century

- *Establish a new level of excellence for Federal building construction and renovation that incorporates energy efficiency, quality, affordability, and sustainability.* By using the latest construction techniques and tapping the knowledge of the building community and local partners, agencies will work to ensure that new Federal buildings achieve energy efficiency increases of 30-50 percent by 2000 as compared to existing facilities. This will be accomplished through a "whole building" approach that treats buildings as integrated systems rather than a series of independent component selections.
- *Deploy solar technologies in Federal buildings.* Show Federal leadership by installing solar photovoltaic and solar thermal systems on 20,000 Federal roofs by 2010 in support of the President's 'Million Solar Roof Initiative'. Utilize alternative financing methods to provide the rapid infusion of investment necessary to support the cost-effective installation of these systems.
- *Expand the use of combined heat and power generation at Federal facilities.* Combined heat and power makes greater use of the waste heat produced in the generation of electricity.
- *Use biomass fuels in Federal boilers.* Biomass would come from agricultural and wood waste and methane from landfill and treatment plant operations.
- *Expand public awareness of energy efficient technologies.* By showcasing energy efficient and

renewable energy technologies at National Parks, Federal offices, embassies, military bases, and other facilities the public will be more aware of their potential to reduce pollution and lower costs.

- *Seek increased resources for civilian agency staffing to expand energy management activities and complete energy efficiency projects.* In recent years, budgets for energy management in several key agencies have been cut by more than 80 percent. These Federal appropriations often provide the most cost-effective funding for Federal energy efficiency projects.

4. Improve Aircraft, Ship, and Heavy Vehicle Fuel Efficiency

- *Public-Private partnerships to improve the energy efficiency of Federal aircraft, ships and vehicles.* Energy use in Federal aircraft, ships and vehicles, predominantly in the military services, is responsible for 43 percent of the \$8 billion Federal energy bill. This initiative would improve the energy efficiency of main propulsion systems, with particular emphasis on medium and heavy diesel engines and high performance turbine technology. The initiative -- designed along the lines of the Partnership for a New Generation of Vehicles -- would involve a partnership between Federal agencies and the private sector. Advances under this initiative will have significant application in commercial markets. In addition, the initiative will focus on near-term energy efficiency opportunities such as lighting retrofits on ships.
- *Increase the use of alternative fueled vehicles (AFVs) in the Federal fleet.* Federal agencies are increasing the use of alternative fuel vehicles which, among other things, helps reduce emissions of greenhouse gases. This initiative would enhance the focus of the current program on AFVs such as electrics, hybrid-electrics, natural gas and renewable-fueled vehicles.

5. Greenhouse Gas Assessments

- Federal agencies will be required to assess their greenhouse gas emissions in major actions they undertake.

FACT SHEET ON U.S. GLOBAL CHANGE RESEARCH PROGRAM

October 22, 1997

Background: The U.S. Global Change Research Program (USGCRP) is a National Research Program conducted under the auspices of the National Science and Technology Council (NSTC) Committee on Environment and Natural Resources. The NSTC is a cabinet-level council established by President Clinton in November 1993 to coordinate Federal science and technology efforts. The program's fundamental purpose is to increase understanding of the Earth system, and of human and naturally induced changes in the Earth's environment, and thus provide a sound scientific basis for decision making on global change issues. The USGCRP began as a Presidential Initiative, and was codified by the Global Change Research Act of 1990. The overall FY 1997 USGCRP budget was \$1.81 billion.

The core program of the USGCRP is focused on four key scientific areas:

- *Seasonal to Interannual Climate Variability:* The development and refinement of forecasts of seasonal and interannual climate variability, including study and prediction of the El Niño phenomena.
- *Climate Change Over Decades to Centuries:* Analysis and projection of the effects of long-term climate change on natural resources, public health, and socio-economic sectors.
- *Changes in Ozone, UV Radiation, and Atmospheric Chemistry:* Research on the causes, rate, magnitude, and human health and ecological consequences of changes in stratospheric ozone, UV radiation, and atmospheric chemistry.
- *Changes in Land Cover and Terrestrial and Aquatic Ecosystems:* Research on the causes and consequences of land-cover changes, and on basic processes governing the functions and structure of terrestrial, aquatic, and marine ecosystems.

New Research Directions: Global change research is providing the information about the changing Earth system, and in particular, about climate change, that is needed to achieve a sustainable future. New research efforts include:

- *A National Assessment of Climate Change Impacts* to aggregate information across regions and sectors, analyze national-scale consequences, and support development of mitigation and adaptation strategies.
- *Improved Regional-scale Analyses*, including regional estimates of the rate and magnitude of climate change, analyses of the environmental and socio-economic consequences of climate change in the context of other stresses, and integrated assessments of the implications for society and the environment of climate change.
- *Regional Workshops* to examine the vulnerabilities of various regions of the United States to climate change.

FACT SHEET ON PNGV

October 22, 1997

Announced at the White House on September 29, 1993 by President Clinton, Vice President Gore, and the CEOs of the domestic auto makers, the Partnership for a New Generation of Vehicles (PNGV) is a partnership between the U.S. Federal government (7 agencies and 20 federal laboratories) and Chrysler, Ford, and General Motors that aims to strengthen America's competitiveness by developing technologies for a new generation of vehicles. Its programs include research support for over 350 automotive suppliers, universities, and small businesses.

PNGV's long-term goal is to develop production prototypes of an attractive, affordable car that can meet all applicable environmental and safety times and achieve up to three times the fuel efficiency of a comparable automobile sold today. This would mean that a typical midsize car would be able to achieve 80 mpg. The partnership also aims to (i) improve automotive manufacturing, and (ii) introduce efficiency technologies into production vehicles as soon as they are economically justified.

There are numerous reasons for pursuing PNGV, including:

- **Environmental:** Automobiles are a major contributor to atmospheric carbon dioxide, a major greenhouse gas. Already, concentrations of carbon dioxide are 25 percent higher than pre-industrial levels and are expected to double within the next century. Since the number of registered vehicles in the United States is expected to climb from 194 million in 1993, to as many as 270 million in 2010, PNGV's success is critical to any program of controlling US and world greenhouse gas emissions. It will also result in low cost methods for controlling the emissions that contribute to urban air pollution.
- **Reducing U.S. Dependence on Foreign Oil:** The United States currently imports 50 percent of the oil we consume -- this share is expected to grow to more than 60 percent by 2010. Petroleum imports make up ten percent of our country's import inventory and account for a large chunk of the nation's trade deficit. This dependence on foreign oil makes the United States vulnerable.

PNGV Status Report: The industrial partners are now in the process of selecting technologies that will be included in concept vehicles that will be completed by the turn of the century. The federal agencies are working to revise their research priorities to support both technologies that can be incorporated in production prototypes for 2004 and that can be integrated into even more advanced vehicles that would be designed in later years.

The goal of the program, while extremely ambitious, still seems possible given the advances in key technology that have been achieved during the life of the program. These include advances in production of low-cost, light-weight materials for the vehicle body and frame; electrical control systems, batteries; and compact, inexpensive fuel cells -- including the new technology for using gasoline to power fuel cells announced yesterday; and, advanced internal combustion engines for use in hybrid vehicles.

FACT SHEET ON FUEL CELLS

October 22, 1997

THE BREAKTHROUGH: A gasoline-powered technology that would allow you to double the fuel efficiency of a car and emit half the greenhouse gases and virtually no other air pollution. For the first time, gasoline was used to produce electricity from a pollution-free fuel cell, allowing the use of the existing gasoline infrastructure. Previously, fuel cells have been powered by hydrogen or methanol, which are less convenient for use in cars.

The Department of Energy, together with Los Alamos National Laboratory, and A.D. Little, have developed a breakthrough fuel processor, which can extract hydrogen from gasoline and other fuels such as ethanol and natural gas. Last week, this fuel processor was combined with a fuel cell from Plug Power to demonstrate for the first time that a fuel cell electric car could be fueled by gasoline or ethanol. This eliminates the limited driving range and lengthy recharging times associated with electric cars that run on batteries.

WHAT IS A FUEL CELL: The fuel cell converts the chemical energy of a fuel directly into usable electricity and heat without combustion. Fuel cells are similar to batteries in that both produce a direct current by means of an electrochemical process, but fuel cells can operate indefinitely as long as fuel is supplied to them. Fuel cells can provide power for cars and other applications, such as electricity and hot water for buildings.

The Department of Energy working with its partners has brought down the cost of proton exchange membrane (PEM) fuel cells by a factor of twenty in the last ten years. Continued R&D, coupled with the economies of scale from mass production of fuel cells as they enter the marketplace, should allow us to maintain this pace of cost reduction for another decade.

PARTNERSHIP FOR A NEW GENERATION OF VEHICLES (PNGV): The fuel cell breakthrough was accomplished as part of President Clinton's PNGV initiative, an innovative partnership between the government, the national laboratories, the big three automakers, and their suppliers. PNGV's goal is to develop a family-sized vehicle with triple the fuel efficiency of today's cars, without compromising cost or convenience.

POTENTIAL GREENHOUSE GAS REDUCTIONS: One-third of the nation's carbon dioxide emissions comes from the transportation sector, primarily cars. Fuel cell technology alone can directly double fuel efficiency and cut carbon dioxide emissions in half. In combination with other PNGV advances, such as lightweight materials and regenerative braking, fuel cells will allow a tripling of fuel efficiency and a further reduction in greenhouse gas emissions. Powering the fuel cell with renewable fuels, such as ethanol, could eliminate automotive greenhouse gas emissions entirely in the long run. The buildings sector also generates one-third of the nation's emissions of carbon dioxide. A building that uses the electricity and hot water from a fuel cell fueled by natural gas would have about half of the greenhouse gas emissions of the average building today. Plug Power expects to introduce fuel cells for homes and other buildings in 2000 that will provide electricity for less than the current residential rate. By 2010, fuel cells in buildings could be providing emissions savings of five million metric tons of carbon.

FACT SHEET ON PATH

October 22, 1997

What is PATH? We are working to develop a partnership for 21st century housing bringing together government and industry to develop, demonstrate and deploy housing technologies, designs and practices that can significantly improve the quality of housing without raising the cost of construction. The **Partnership for Advancing Technologies in Housing** includes government (DOE, HUD, EPA, Labor, Commerce, FEMA, and DOD) and industry working together develop, demonstrate and deploy housing technologies and practices so that homes can be built cheaper, more environmentally sustainable, more disaster resistant, and provide a safer working environment.

PATH has a five-part approach:

- Industry-driven research on new technologies and practices
- Working with industry on pilot programs building thousands of marketable houses
- Streamlining of federal, state and local codes and regulations
- Judicious use of existing authority on standards
- Information campaign to influence consumer demand

R&D: Support more funds for accelerated research and demonstration of inexpensive, highly efficient, highly attractive housing. Link with million solar roofs program.

Standards: The success of PATH will in some part be based on utilizing existing authorities on standards for a select few products that have the potential for great savings. There are five appliance/products currently under review by DoE; Clothes Washers, Ranges/Ovens, Ballasts, Residential water heaters, transformers. Of these, the Clothes Washers and Water Heaters seem to have greatest potential.

Creating Markets: The key to making the Partnership successful will be the ability to create markets and consumer demands for homes that meet the PATH goals. The Partnership will work with states and communities to help them understand the benefits of building these homes, and the opportunities it affords the communities for economic growth. The Partnership will attempt to gain agreements between communities that PATH homes can go through an expedited permitting process.

Education and Outreach: Marketing the benefits of these homes to consumers and to encourage consumers to begin to ask for homes that are built to the quality level of >PATH= homes. This will need to be an intensive campaign of getting the message out to communities, builders and developers. This will provide incentives for more and more builders to want to build these homes.

Pilots: The pilots will play an important role in the success of PATH. The pilot sites will begin of developing the markets and demonstrate the feasibility of the homes. The pilot sites can also act as training sites for builders and community leaders to learn about the benefits of the technologies and as a classroom for training on how to use the technologies. Sites under consideration are Stapleton Airport, Denver (Redevelopment of old airport site near downtown) and Florida (Working with the State to link energy and environment to disaster resistance and affordability).

Regulatory Streamlining: Working with states and communities on making the code approval process more efficient and less time consuming.

FACT SHEET ON POTENTIAL INDUSTRY SECTOR SAVINGS

October 22, 1997

The industrial sector produces approximately one-third of total U.S. emissions. We can cut emissions substantially in this sector through the right mix of tax incentives, accelerated research and development, electricity restructuring, and environmental regulatory reinvention. According to a recently released report from five of the nation's energy laboratories, programs such as the ones below can reduce emissions in the industrial sector in 2010 by 28 million metric tons even with no increase in energy prices.

Increasing Energy Efficiency: Energy audits encourage systematic approaches to energy efficiency that typically have high yields. Southwire Corporation, a large manufacturer of wire, rod, and cable, cut their use of natural gas by 60 percent and cut electricity use by 40 percent per pound of product produced. Motors consume 70 percent of industrial electricity used, and there is room for improving their efficiency. The Greenville Tube Company, for example, increased productivity by 15 percent, increased energy efficiency by 30 percent, reduced scrap by 15 percent, and achieved \$77,000 per year savings -- a 6 month payback -- by improving the efficiency of their motors.

Cogeneration (Combined Heat and Power): New technologies available in the industrial sector will allow us to capture the waste heat the U.S. now throws away. With the right policies, industrial cogeneration of natural gas or biomass could cut annual carbon emission significantly by 2010. Advanced turbines developed by DOE with industry will be available in three years (orders are already being taken). They have an overall efficiency of 80 percent to 90 percent, produce steam together with low-cost electricity and significantly reduce NOx emissions. These turbines can run on natural gas or biomass. Some industries have their own low-cost biomass feedstocks (for example, black liquor gasification in the pulp and paper industry), which makes possible cogeneration with nearly zero carbon emissions.

Expanding Industries of the Future: The seven most energy-intensive industries—steel, aluminum, petroleum refining, chemicals, pulp and paper products, glass, and metal casting—account for about 80 percent of the carbon emissions in U.S. manufacturing and more than 90 percent of the hazardous waste. Industry, partnering with the Department of Energy, has developed long-term visions of energy-efficient, low-polluting, highly competitive "Industries of the Future" as well as technology roadmaps to identify an R&D and deployment pathway to achieving the vision. Visions typically foresee annual energy efficiency improvements of 1.0 percent to 1.5 percent for two decades.

FACT SHEET ON POTENTIAL BUILDINGS SECTOR SAVINGS

October 22, 1997

The buildings sector also produces approximately one-third of total U.S. emissions. There is substantial opportunity to improve the energy efficiency of our buildings and the appliances in them. Many of these technologies improve the quality of service delivered (i.e. higher quality lighting), and have also been documented in a number of cases to improve productivity. According to a recently released report from five of the nation's energy laboratories, programs such as the ones below can reduce emissions in the buildings sector in 2010 by 25 million metric tons even with no increase in energy prices.

Standards: Substantial carbon emissions reductions in 2010 can be achieved through existing authority of the Department of Energy to establish market-oriented efficiency standards for appliances, such as refrigerators and air conditioners. The Department of Energy uses a consensus-based approach in which manufacturers, environmentalists, consumer advocates, and the states work together to develop applicable standards.

Voluntary Programs: Significant carbon reductions in 2010 could also be achieved by expanding voluntary programs such as the joint EPA-DOE Energy Star program. Energy Star labeling has already transformed a number of markets. For example, it has cut the energy used by computers, monitors, and printers by 50 percent at virtually no incremental cost. It is now being extended to dozens of other products.

Adopting Best Electricity Engineering Practices: Electronic equipment consumes electricity in stand-by mode (even when not being used) generating 12 MMTs of carbon emission each year. Preliminary analysis suggests that 80 percent of that could be saved through adopting best engineering practices without reducing service.

Research and Development: Designing buildings with advanced technology can reduce energy consumption by 25 to 50 percent without increasing the building's initial cost. The extra cost of some of the energy-efficient equipment is offset by the smaller required heating and cooling system.

Combined Heat and Power: As in industry, we can reduce the carbon intensity of the buildings sector by accelerating the use of combined heat and power (CHP). Two CHP technologies—small turbines and proton-exchange membrane (PEM) fuel cells—can convert natural gas to useful energy with 80 to 90 percent efficiency, significantly cutting carbon emissions from a building.

FACT SHEET ON POTENTIAL TRANSPORTATION SECTOR SAVINGS

October 22, 1997

The transportation sector produces approximately one-third of total U.S. emissions. According to a recently released report from five of the nation's energy laboratories, programs such as the ones below can reduce emissions in the transportation sector in 2010 by 73 million metric tons even with no increase in energy prices.

High Efficiency Cars And Light Trucks: The goal of the President's Partnership for a New Generation of Vehicles is to produce cars that are three times more efficient than current vehicles with no compromise in size, safety, comfort or cost. The objective is a production prototype vehicle with a fuel efficiency of 80 mpg in 2004 and commercial availability soon after. A variety of efficient technologies such as hybrid vehicle design, advanced engines, regenerative braking and lightweight materials are under development. These technologies are also applicable to light trucks and sport utility vehicles, so that a PNGV for these heavier passenger vehicles is quite possible with an expanded research effort.

High efficiency heavy trucks: Ongoing federal R&D on advanced diesel engines and lightweight materials have the potential to substantially reduce carbon emissions from heavy trucks. These technologies are projected to be available by about 2003 and be quickly adopted by trucking manufacturers since energy is a major cost component of freight transportation (a truck typically gets 7 to 8 miles per gallon while traveling over 50,000 miles a year).

Advanced Efficient Aircraft and Rail: Ongoing federal R&D on advanced aircraft engines, improved airframes, and air traffic control have the potential to improve aircraft energy efficiency by 35 percent, with an additional increment of carbon emissions reductions achieved by increasing the efficiency of trains.

Low-Carbon Fuel: Government-industry R&D partnerships have brought the cost of ethanol from cellulosic waste (such as crop waste) and dedicated crops (such as switchgrass) from \$3.60 per gallon in 1980 to \$1.20 per gallon today. Such fuels are carbon neutral because the crops capture carbon dioxide when they grow and release it during combustion.

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REMARKS BY THE PRESIDENT ON GLOBAL CLIMATE CHANGE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 22, 1997

REMARKS BY THE PRESIDENT ON GLOBAL **CLIMATE CHANGE**

National Geographic Society
Washington, D.C.

2:57 P.M. EDT

THE PRESIDENT: Thank you very much. Mr. Murphy, Mr. Vice President, to all of you who are here. I thank especially the members of Congress who are here, the leaders of labor and business who are here, all the members of the administration, and especially the White House staff members that the Vice President mentioned and the Secretary of Energy, the Administrator of the EPA, and the others who have helped us to come to this moment.

On the way in here we were met by the leaders of the National Geographic, and I complimented them on their recent two-part series on the Roman Empire. It's a fascinating story of how the Empire rose, how it sustained itself for hundreds of years, why it fell, and speculations on what, if any, relevance it might have to the United States and, indeed, the West.

And one of the gentlemen said, well, you know, we got a lot of interesting comments on that, including a letter referencing a statue we had of the bust of Emperor Vespasian. And one of our readers said, why in the world did you put a statue of Gene Hackman in a piece on the Roman Empire? (Laughter.) And I say that basically to say, in some senses, the more things **change**, the more they remain the same. (Laughter.)

For what sustains any civilization, and now what will sustain all of our civilizations, is the constant effort at renewal, the ability to avoid denial and to proceed into the future in a way that is realistic and humane, but resolute. Six years ago tomorrow, not long after I started running for President, I went back to my alma mater at Georgetown and began a series of three speeches outlining my vision for America in the 21st century -- how we could keep the American Dream alive for all of our people, how we could maintain America's leadership

for peace and freedom and prosperity, and how we could come together across the lines that divide us as one America.

And together, we've made a lot of progress in the last nearly five years now that the Vice President and I have been privileged to work at this task. At the threshold of a new century, our economy is thriving, our social fabric is mending, we've helped to lead the world toward greater peace and cooperation.

I think this has happened, in no small measure, in part because we had a different philosophy about the role of government. Today, it is smaller and more focused and more oriented toward giving people the tools and the conditions they need to solve their own problems and toward working in partnership with our citizens. More important, I believe it's happened because we made tough choices but not false choices.

On the economy, we made the choice to balance the budget and to invest in our people and our future. On crime, we made the choice to be tough and smart about prevention and **changing** the conditions in which crime occurs. On welfare, we made the choice to require work, but also to support the children of people who have been on welfare. On families, we made the choice to help parents find more and better jobs and to have the necessary time and resources for their children. And on the environment, we made the choice to clean our air, water, and land, to improve our food supply, and to grow the economy.

This kind of commonsense approach, rooted in our most basic values and our enduring optimism about the capacity of free people to meet the challenges of every age must be brought to bear on the work that remains to pave the way for our people and for the world toward a new century and a new millenium.

Today 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, to achieve meaningful reductions in greenhouse gases in the United States and throughout the industrialized and the developing world. It is a strategy that, if properly implemented, will 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; a strategy as consistent with our commitment to reject false choices.

America can stand up for our national interest and stand up for the common interest of the international community. America can build on prosperity today and ensure a healthy planet for our children tomorrow.

In so many ways the problem of **climate change** reflects the new realities of the new century. 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 gases, slow **changes** in our surroundings, increasingly severe climatic disruptions that, thank God, have not yet hit home for most Americans. 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.

The vast majority of the world's **climate** scientists have concluded

that if the countries of the world do not work together to cut the emission of greenhouse gases, then temperatures will rise and will disrupt the **climate**. In fact, most scientists say the process has already begun. Disruptive weather events are increasing. Disease-bearing insects are moving to areas that used to be too cold for them. Average temperatures are rising. Glacial formations are receding.

Scientists don't yet know what the precise consequences will be. 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 our planet. We know what we have to do.

Greenhouse gas emissions are caused mostly by the inefficient burning of coal or oil for energy. Roughly a third of these emissions come from industry, a third from transportation, a third from residential and commercial buildings. In each case, the conversion of fuel to energy use is extremely inefficient and could be made much cleaner with existing technologies or those already on the horizon, in ways that will not weaken the economy but in fact will add to our strength in new businesses and new jobs. If we do this properly, we will not jeopardize our prosperity -- we will increase it.

With that principle in mind, I'm announcing the instruction I'm giving to our negotiators as they pursue a realistic and effective international **climate change** treaty. And I'm announcing a far-reaching proposal that provides flexible market-based and cost-effective ways to achieve meaningful reductions here in America. I want to emphasize that we cannot wait until the treaty is negotiated and ratified to act. 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. We must begin now to take out our insurance policy on the future.

In the international **climate** negotiations, the United States will pursue a comprehensive framework that includes three elements, which, taken together, will enable us to build a strong and robust global agreement. 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.

The industrialized nations tried to reduce emissions to 1990 levels once before with a voluntary approach, but regrettably, most of us -- including especially the United States -- fell short. We must find new resolve to achieve these reductions, and to do that we simply must commit to binding limits.

Second, we will embrace flexible mechanisms for meeting these limits. We propose an innovative, joint implementation system that allows a firm in one country to invest in a project that reduces emissions in another country and receive credit for those reductions at home. And we propose an international system of emissions trading. These innovations will cut worldwide pollution, keep costs low, and help developing countries protect their environment, too, without sacrificing their economic growth.

Third, 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.

As President Carlos Menem stated forcefully last week when I visited him in Argentina, a global problem such as **climate change** requires a global answer. If the entire industrialized world reduces emissions over the next several decades, but emissions from the developing world continue to grow at their current pace, concentrations of greenhouse gasses in the atmosphere will continue to climb. Developing countries have an opportunity to chart a different energy future consistent with their growth potential and their legitimate economic aspirations.

What Argentina, with dramatic projected economic growth, recognizes is true for other countries as well: We can and we must work together on this problem in a way that benefits us all. Here at home, we must move forward by unleashing the full power of free markets and technological innovations to meet the challenge of **climate change**. I propose a sweeping plan to provide incentives and lift road blocks to help our companies and our citizens find new and creative ways of reducing greenhouse gas emissions.

First, we must enact tax cuts and make research and development investments worth up to \$5 billion over the next five years -- targeted incentives to encourage energy efficiency and the use of cleaner energy sources.

Second, we must urge companies to take early actions to reduce emissions by ensuring that they receive appropriate credit for showing the way.

Third, we must create a market system for reducing emissions wherever they can be achieved most inexpensively, here or abroad; a system that will draw on our successful experience with acid rain permit trading.

Fourth, we must reinvent how the federal government, the nation's largest energy consumer, buys and uses energy. Through new technology, renewable energy resources, innovative partnerships with private firms and assessments of greenhouse gas emissions from major federal projects, the federal government will play an important role in helping our nation to meet its goal. Today, as a down payment on our million solar roof initiative, I commit the federal government to have 20,000 systems on federal buildings by 2010.

Fifth, we must unleash competition in the electricity industry, to remove outdated regulations and save Americans billions of dollars. We must do it in a way that leads to even greater progress in cleaning our air and delivers a significant down payment in reducing greenhouse gas emissions. Today, two-thirds of the energy used to provide electricity is squandered in waste heat. We can do much, much better.

Sixth, we must continue to encourage key industry sectors to prepare their own greenhouse gas reduction plans. And we must, along with state and local government, remove the barriers to the most energy efficient usage possible. There are ways the federal government can help industry to achieve meaningful reductions voluntarily, and we will redouble our efforts to do so.

This plan is sensible and sound. 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. We will start with our package of strong market incentives, tax cuts, and cooperative efforts with industry. We want to stimulate early action and encourage leadership. And as we reduce our emissions over the next decade with these efforts, we will perform regular reviews to see what works best for the environment, the economy, and our national security.

After we have accumulated a decade of experience, a decade of data, a decade of technological innovation, we will launch a broad emissions trading initiative to ensure that we hit our binding targets. At that time, if there are dislocations caused by the **changing** patterns of energy use in America, we have a moral obligation to respond to those to help the workers and the enterprises affected -- no less than we do today by any **change** in our economy which affects people through no fault of their own.

This plan plays to our strengths -- innovation, creativity, entrepreneurship. Our companies already are showing the way by developing tremendous environmental technologies and implementing commonsense conservation solutions.

Just yesterday, Secretary Pena announced a dramatic breakthrough in fuel cell technology, funded by the Department of Energy research -- a breakthrough that will clear the way toward developing cars that are twice as efficient as today's models and reduce pollution by 90 percent. The breakthrough was made possible by our path-breaking partnership with the auto industry to create a new generation of vehicles. A different design, producing similar results, has been developed by a project funded by the Defense Advanced Research Products Agency and the Commerce Department's National Institute of Science and Technology.

The Energy Department discovery is amazing in what it does. Today, gasoline is used very inefficiently in internal combustion engines -- about 80 percent of its energy capacity is lost. The DOE project announced yesterday by A.D. Little and Company uses 84 percent of the gasoline directly going into the fuel cell. That's increased efficiency of more than four times traditional engine usage.

And I might add, from the point of view of all the people that are involved in the present system, continuing to use gasoline means that you don't have to **change** any of the distribution systems that are out there. It's a very important, but by no means the only, discovery that's been made that points the way toward the future we have to embrace.

I also want to emphasize, however, that most of the technologies available for meeting this goal through market mechanisms are already out there -- we simply have to take advantage of them. For example, in the town of West Branch, Iowa, a science teacher named Hector Ibarra challenged his 6th graders to apply their classroom experiments to making their school more energy efficient. The class got a \$14,000 loan from a local bank and put in place easily available solutions. The students cut the energy use in their school by 70 percent. Their savings were so impressive that the bank decided to upgrade its own energy efficiency. (Laughter.)

Following the lead of these 6th graders -- (laughter) -- other major companies in America have shown similar results. You have only to look at the proven results achieved by companies like Southwire, Dow Chemical, Dupont, Kraft, Interface Carpetmakers, and any number of others in every sector of our economy to see what can be done.

Our industries have produced a large group of efficient new refrigerators, computers, washer/dryers, and other appliances that use far less energy, save money, and cut pollution. The revolution in lighting alone is truly amazing. One compact fluorescent lamp, used by one person over its lifetime, can save nearly a ton of carbon dioxide emissions from the atmosphere, and save the consumer money.

If over the next 15 years everyone were to buy only those energy-efficient products marked in stores with EPA's distinctive "Energy Star" label, we could shrink our energy bills by a total of about \$100 billion over the next 15 years and dramatically cut greenhouse gas emissions.

Despite these win-win innovations and commitments that are emerging literally every day, 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. But before the debate begins in earnest, let's remember that over the past generation, we've produced tremendous environmental progress, including in the area of energy efficiency, at far less expense than anyone could have imagined. And in the process, whole new industries have been built.

In the past three decades, while our economy has grown, we have raised, not lowered, the standards for the water our children drink. While our factories have been expanding, we have required them to clean up their toxic waste. While we've had record numbers of new homes, our refrigerators save more energy and more money for our consumers.

In 1970, when smog was choking our cities, the federal government proposed new standards for tailpipe emissions. Many environmental leaders claim the standards would do little to head off catastrophe. 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. Auto makers comply with today's much stricter emissions standards for far less than half the cost predicted, and new cars emit on average only 5 percent of the pollutants of the cars built in 1970.

We've seen this pattern over and over and over again. We saw it when we joined together in the '70s to restrict the use of the carcinogen, vinyl chloride. Some in the plastics industry predicted massive bankruptcies, but chemists discovered more cost-effective substitutes and the industries thrived. We saw this when we phased out lead and gasoline. And we see it in our acid rain trading program -- now 40 percent ahead of schedule -- at costs less than 50 percent of even the most optimistic cost projections. We see it as the chlorofluorocarbons are being taken out of the atmosphere at virtually no cost in ways that apparently are beginning finally to show some thickening of the ozone layer again.

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.

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. There is a huge body of business evidence now showing that energy savings give better service at lower cost with

higher profit. We have to tear down barriers to successful markets and we have to create incentives to enter them. I call on American business to lead the way, but I call upon government at every level -- federal, state, and local -- to give business the tools they need to get the job done, and also to set an example in all our operations.

And let us remember that the challenge we face today is not simply about targets and timetables. It's about our most fundamental values and our deepest obligations.

Later today, I'm going to have the honor of meeting with Ecumenical Patriarch Bartholomew I, the spiritual leader of 300,000,000 Orthodox Christians -- a man who has always stressed the deep obligations inherent in God's gift to the natural world. He reminds us that the first part of the word "ecology" derives from the Greek word for house. In his words, in order to **change** the behavior toward the house we all share, we must rediscover spiritual linkages that may have been lost and reassert human values. Of course, he is right. It is our solemn obligation to move forward with courage and foresight to pass our home on to our children and future generations.

I hope you believe with me that this is just another challenge in America's long history, one that we can meet in the way we have met all past challenges. I hope that you believe with me that the evidence is clear that we can do it in a way that grows the economy, not with denial, but with a firm and glad embrace of yet another challenge of renewal. We should be glad that we are alive today to embrace this challenge, and we should do it secure in the knowledge that our children and grandchildren will thank us for the endeavor.

Thank you very much. (Applause.)

END

3:24 P.M. EDT

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 22, 1997

PRESS BRIEFING

BY

CHAIR OF THE NATIONAL ECONOMIC COUNCIL GENE SPERLING,
ASSISTANT TO THE PRESIDENT FOR INTERNATIONAL ECONOMIC POLICY
DAN TARULLO,

DEPUTY NATIONAL SECURITY ADVISOR JIM STEINBERG,
STAFF SECRETARY TODD STERN,
CHAIR OF COUNCIL ON ENVIRONMENT QUALITY KATIE MCGINTY,
AND DEPUTY SECRETARY OF TREASURY LARRY SUMMERS

The Briefing Room

1:15 P.M. EDT

MR. MCCURRY: We are bringing before you a parade of administration officials, harmoniously and vigorously united together -- brown and green alike, they march out, and all colors in between.

The President's global climate change team is here with you, including all of the following and more: Gene Sperling, Assistant to the President for Economic Policy, Chair of the National Economic Council; Dan Tarullo, Assistant to the President for International Economic Policy; Jim Steinberg, Deputy Assistant to the President for National Security Affairs; Todd Stern, Assistant to the President and Staff Secretary and really the shepherd of all of our global climate folks at the White House; Katie McGinty, the Chair of the Council on Environmental Quality; and Larry Summers, Deputy Secretary of the Treasury.

They are here at your disposal, but we are going to do the following. We'll start with Gene giving a little overview of the policy directions the President has now put in place as we head to Kyoto. Katie will tell you a little bit, expand a little bit on the specifics of the policy. And I guess Jim and Todd can talk about the negotiating process that we foresee looking ahead to Kyoto.

Mr. Sperling.

MR. SPERLING: The President, the Vice President and everyone in the administration who has worked on this issue feels very strongly that this is perhaps the major environmental challenge of our generation. All of us believe strongly that the science compels action; that the science, based on the scientists that came together from over 150 countries, makes clear that there has been a discernable human influence on the climate with potentially disruptive effects for our future; and that the United States must play a leadership role in addressing this environmental challenge.

The President today puts forward an ambitious, but sensible and sound approach for addressing this. He sets timetable and targets of reaching 1990 levels by the period of 2008 to 2012. Our policies will be based on five fundamental principles, that we be, one, guided by the science; two, that our approach be market-based and common sense; three, that we should first look for the win-win, positive solutions that exist before us; fourth, that there must be global participation, that this is a global problem that requires a global solution; and, fifth, recognizing the uncertainty in engaging on a long-term we need to have common sense, economic and scientific review periodically.

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The President puts forward a proposal today that one can see in three stages. The first stage is where the President says, here are the things America can do without waiting, without, we think, conflict in addressing this problem. And if you look on the materials we've handed out, on the third page, it runs through the specific items from the tax incentives to the industry action to the early credit. These are the things this President is committed to doing as soon as possible. This is what we can do without waiting. This is what we can do right now to utilize the opportunities that are before us. And it very much fits the principle that to the degree there are under-utilized energy efficiencies that exist right now, it would be irresponsible for us to not first do everything within our power to make sure that our industries and our people utilize those efficiencies and get the gains that are before us.

The second period would be, in having a five-year review, would be to look at 2004, to evaluate what has worked; to do more of what is being effective; to take account of what new things we have learned on the science, the environment and the economics; and to go forward and to start planning for the third stage, the binding stage, between 2008 and 2012. It is at this stage we would call for a broad-based emissions trading system, both domestically and internationally, that we believe would ensure that we hit the binding targets that the President has set out.

I should stress that by the time a President and the Congress would have to implement this, we would have under our belt a decade of experience, a decade of innovation, a decade of technology, a decade of science and economic review. So this is a strong approach, but it is handled in a sound and sensible way that recognizes both the uncertainties we face, but both -- that we have an imperative to reach the binding target that the President is setting forward.

If you look in the materials we have, we try to give some examples as you go through on some of the places where the President feels very strongly in the area of electricity, in the area of cogeneration, others where there is, we think, significant waste and, therefore, significant opportunities using existing technologies and energy efficiency, and our hopes for where there can be innovation and breakthroughs, the type that you heard Secretary Pena talk about yesterday, that can put us on a path.

There will be many people who will suggest that down the road, in 2008, that this would be difficult to implement. But as with so many other issues -- entitlement reform and others -- the thing we know for sure is that if we act early we make it easier to deal with a long-term problem. It is only when we wait too long and too late that the choices become too difficult. We have before us the opportunity to deal with these things in a way that this country is best at -- through innovation, through technology, through mobilizing this country, through using the powers of the market. And this President is committed, that without waiting, he is going to try to mobilize those forces to go forward and do our part in dealing with our generational responsibility in addressing this environmental issue.

MS. MCGINTY: Thanks to my partner, Gene. Good afternoon. I just want to underscore a few of the points that Gene made, maybe elaborate briefly.

First of all, today President Clinton is exercising strong leadership in putting forth a bold plan to take on the challenge of global climate change. Four points that I think are worth underscoring and emphasizing: The President's exercise of leadership today will, first and foremost, get this country moving today to begin to secure the opportunities we have before us to

reduce emissions, to improve the environment and to seize economic opportunity in doing that.

How? One, through a very innovative new initiative on tax incentives to encourage investments in energy-efficiency, renewable energy, in encouraging the turnover of older, less efficient capital stock -- things like that. Second, through a program of designing and affording credit to industries who are willing to step up to the plate and take action early -- earlier than any of the periods that are being discussed in the international arena. The President will want to work in partnership with industry, affording them credit for taking early action to reduce emissions, through new investments in the important technologies that the United States can develop and has the opportunity to lead the world in developing.

And, fourth, and importantly, by unleashing the forces of competition in the electricity markets. Today, electricity generation and transmission is governed by rules that in some instances are 70 years old. That antiquated system has stifled some of the most efficient and effective technologies we have that can dramatically reduce greenhouse gas emissions from the electricity sector. The President is putting that forward today, something we can begin to move forward on that can help us to reduce emissions and seize tremendous economic opportunity.

The President has underscored in previous statements on this issue that today we throw out two-thirds of the energy we generate. These policies are about capturing those inefficiencies, enhancing the economy and the environment at the same time. So the first principle, through the President's leadership, we are getting to work today.

Second, the President's leadership increases our ability to bring the entire world to a binding, but realistic and achievable set of goals in reducing greenhouse gas emission -- binding first. Why? Because our experience since 1992, the Rio Earth Summit, shows us that simply voluntary actions aren't sufficient to meeting this challenge. The voluntary actions have achieved some reductions, but not enough, and we have continued to see emissions grow.

So the President is saying it's time to give the issue the seriousness it merits; binding reductions are very important. But those reductions should be realistic and achievable. What the issue really demands is action, not the pie in the sky kind of rhetoric we've heard, nor the doomsday scenarios we've heard, either -- 1990 levels by the year 2008 to 2012 is significant, first; it represents a reduction in U.S. emissions on the order of 28 percent from where we would otherwise be in the year 2010. But it's realistic and achievable. As Gene underscored, the President is seizing on this decade of opportunity we have from 1998 to 2008 to find those ways to harness market forces to help us get this job done.

That leads to the third principle. The President's leadership here is about harnessing market forces to help us to achieve environmental objectives in a cost-effective way and in a way that helps us build new industries. We have great experience in this country in using market forces to reduce the costs of achieving environmental goals.

The Clean Air Act has provided us with a wonderful example. We've reduced the emissions that cause acid rain by more than 40 percent of what was required under the law for less than a tenth of the price that was predicted. How? Because we used innovative means, a marketable permit scheme, where firms can trade among themselves the right and the obligations to reduce emissions. We've reached targets that way, but in a much more cost-effective

manner. So the President is exerting leadership here by saying we will put those market forces to work to help us take on this objective.

Fourth and finally, the President's leadership is also about recognizing that climate change is a global challenge and it, therefore, requires a global solution. The United States has put proposals on the table that can help encourage the participation of developing countries -- our initiative on joint implementation, for example, where U.S. businesses can act in partnership with developing countries jointly to reduce emissions.

And today the President will emphasize this important principle again and underscore that for the U.S. to undertake binding obligations, we will secure the participation of developing countries in this effort as well. And as you saw last week, the President has made this a priority as he has spoken to leaders around the world, and was joined last weekend by President Menem as President Menem recognized also that developing countries have to be part of the solution as well.

So with these four principles, the President is putting us on the road today to take on this challenge in a way that will significantly reduce U.S. greenhouse gas emissions, that offers us the promise of seeking and achieving a global agreement on this issue, and that will unleash market forces so that we can secure new and important economic opportunities as we pursue our goals.

Thank you.

MR. STERN: Let me say just a couple of things briefly on the international context. Gene and Katie have already alluded to a number of the more salient factors involved in the negotiation. As you know, international attention to climate change did not begin last month, and it won't end at Kyoto. As important as Kyoto is, this is part of an ongoing process that the world community is going to have to engage in over the course of the coming decades.

I think what has changed in the relatively recent past is the attention that the leaders of the world themselves are paying to this issue. It has, over the course of the last six months, been a topic of conversation in numerous presidential meetings, of our President with his counterparts from around the world. As Katie alluded, in just the last few days, the President has been on the phone with a number of his colleagues from other industrialized countries talking about Kyoto, about the approach that we are all taking. He has also, I might add, been consulting in follow-ups to the climate change conference with industry leaders, environmentalists, and others to discuss how we move forward in a realistic fashion.

The second point I would make is factual. As you probably are aware, our negotiators are in Bonn this week and will be there next week in the final set of formal discussions before the Kyoto Conference itself. The positions that the President announces this afternoon will be tabled by our negotiators and they will pursue those positions over the course of the next week and a half.

Third, I just wanted to re-emphasize some of the key negotiating instructions, position, what we have laid out as our position this afternoon, which are relevant for the international negotiations.

First, Gene mentioned the target and timetable itself, the 2008 to 2012 period returning to 1990 levels of emissions.

Secondly, as I think Katie mentioned, flexibility is of key importance. It is an essential component of the President's

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domestic agenda on climate change; it must be an essential component of the international agenda on climate change. That means international emissions trading; it means international joint implementation proposals and mechanisms so that the most cost-effective means of reducing emissions are available to all the countries of the world to seize.

Third, the President will say this afternoon, as I think both my colleagues have mentioned, that the United States cannot assume binding obligations in this area without developing country participation. The developing countries of the world will, over the course of the next couple of decades, become the most significant, in quantitative terms, emitters of greenhouse gases. That is notwithstanding the fact that, to date, the developed countries have been. Thus, as a matter of science as well as policy, we simply cannot solve this problem without the participation of developing countries.

Now, in pursuit of that, we have made quite clear, Katie alluded to the President's discussions with President Menem -- this has been the subject of numerous consultations at a staff and ministerial level as well, and this will be an important component of our negotiators' positions taken in Bonn and all the way to Kyoto.

I think I'll stop there. Who is running the questions here?

Q The word "bold" isn't very -- the environmentalists don't think this is very bold. You haven't mentioned -- emissions. It's a real retreat, is it not?

MS. MCGINTY: Let me say, first of all, that many in the environmental community have spoken very favorably, especially to the President's insistence that we are going to get to work now. The President's idea that we will offer incentives to industry to step up to the plate and take early actions to reduce emissions is a proposal that is very important to the environmental groups and that they support wholeheartedly.

Would they like to see additional reductions, reductions on the order of what the European countries and others have been talking about? Certainly. Would some in the business community like to have seen less reductions? Certainly. But what the President has put together here is an ambitious plan that will reduce U.S. emissions by 28 percent in the year 2010. It's an aggressive plan to move us forward.

Q -- on developing countries -- you talk in terms of assuring that developing countries must participate in whatever regime results. But I don't hear you saying that there would have to be some point at which they accept binding obligations. Would there be, perhaps at a later date, perhaps on a case-by-case basis different standards, but are you going to propose in Kyoto that there be binding totals and limits on the developing nations?

MR. STERN: As I said a moment ago, our position is one of the indispensability of participation. The nature of that participation is to be defined obviously in the course of negotiations. I think it is useful, however, to refer to President Menem's own observations on the subject last week where he did make reference to the need for developing countries to take on obligations on emissions as well.

Q How is this package tailored to meet the requirements on the Hill and to win the ratification you'll need for anything coming out of Kyoto?

MR. STERN: That's the next briefing. (Laughter.)

MR. SPERLING: Well, I think that there is no question that, despite what some, for honorable reasons in the environmental community might have preferred, I think in what was considered the range of potential options the President did pick will probably be perceived on the Hill as the most ambitious within that range.

But the President is also I think providing people assurance that what he is going to be presenting to Congress -- what we will present in our budget in detail further -- is the type of things that we think the country should be able to rally behind, which is the focus on R&D and technology, tax incentives to encourage more use of renewable energy sources. I think that this is the type of mobilization that I think many people would consider win-win, market-based solutions. And the fact that there is review in different stages I think reflects the concern that people would have that we would, in the year 1997, seek to say that we knew exactly how a decade from now exactly what would be the right -- what energy prices would be, where the technology would have been. I mean, most people, if we were to look back 13 years wouldn't look very good at predicting the Internet and other things.

So I think when you're trying to deal with something like this and have binding targets, it is a sensible approach to assure people that you are going to try to do all of the positive things that people can rally around first, and see how far you can get there and assure people that you are going to be reviewing the science and the economics periodically, so that when the time comes that you do put forward an emissions trading program you do have a decade of experience and review behind us.

And, ultimately, Congress and the President, at a later time, will ultimately have to pass things and have that judgement. So I think the President has put a sensible path that I think should also be reassuring to people on the Hill that we are taking a sensible path. I don't know what the specifics the President has put forward, people should find particularly objectionable.

Q Gene, you make it sound as if this plan, 30 percent reductions, is almost entirely painless.

MR. SPERLING: Well, let me go back five years on our budget. There were people who said at that point that if we did not do something dramatic -- dramatic reduction on Medicaid or Medicare, dramatic increase on discretionary budget -- if we didn't do those things we would never get near balance.

Now, we put forward what we thought at the time was a prudent plan to go forward, under the notion that it would not make sense to rush to do things that may not be necessary, that you should try to do things in a prudent, sensible, market-based way. As it's turned out, that plan and the subsequent growth of the economy has led us to arrive at a goal. Looking back five years, having done more controversial, more painful things would not have made sense when we were able to reach that goal.

The President takes the approach here that there is tremendous -- as Katie described, tremendous inefficiencies out there. There is tremendous potential to alert the American public and to work with industry to capitalize on the inefficiencies that are out there. And by alerting the public and making the public more conscious, you do start to create the market for more people to think that there is profit to be made and reason to research and to do more. And to give you a chance to have a positive cycles.

Now, in the years 2008-2012, when you're in that binding period and you have emissions trading, that is the period where there could be arguments as to what the possible impacts would be on

energy. But the truth is, it's pretty hard for any of us to know. And so I think the President, in providing a sensible path, in going forward and making sure that we are doing all of the win-win, positive things first, that down the road Congress and the President will have to evaluate whether those have been enough and whether we have to take more strenuous steps.

Q So no increase in energy prices?

MR. SPERLING: The plan that we have as you look forward does not include increased energy prices. I think that one has to acknowledge that one you enter the emissions trading period in 2008, that there will probably be costs, those emissions. But how much and what the price of energy will be and what kind of success we've had at having other efficiencies by then is, again, very hard to predict. I doubt people would have predicted the tremendous real decrease in gasoline oil prices we've had.

Q Do you have a target for the five-year period after 2012 for those reductions?

MS. MCGINTY: The President will indicate that the United States proposal includes both a binding target of reaching 1990 levels emissions between the year 2008 and 2012; and that then in the next five-year period of years, that emissions should be reduced below 1990 levels. And the extent to which they should be reduced is an issue that we will take up in the international arena and have discussions there.

MR. SPERLING: I'm just going to let Larry follow up on mine, and then we'll take the next question.

DEPUTY SECRETARY SUMMERS: Thank you, Gene.

If I could just add, this is 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 work to reduce energy costs.

Those provisions include measures that will support the introduction of technologies that will increase fuel efficiency, such as vehicles that have more miles per gallon. Those provisions include measures that by encouraging energy conservation will reduce demand for energy, which will tend to reduce its price worldwide. And those provisions include electricity restructuring, which by harnessing competition in an important network industry has the potential to bring down the costs of energy to consumers, just as we've seen in telecommunications and in airlines, and that on fairly conservative estimates could mean as much as \$20 billion to households.

So this is an approach that is, as Gene has emphasized, one that is very much focused on doing all we can over the next decade to exploit win-win solutions that can come from harnessing market forces to do things that are both good for the economy and good for the environment.

Q Can I stay on this question of cost for a second? What you guys are saying is we're kind of hazy in this 2008 to 2012 period, we can't know for sure. But I seriously doubt that the administration's economic team would have signed off on these 1990 levels without doing a hard analysis that said, based upon our knowledge now we predict that this scheme would mean energy cost of X by the year 2008 or 2010 or 2012. Are you saying you don't and haven't done that? Or if you have, what are the numbers?

MR. SPERLING: First of all, I think we were pretty clear that, as Larry said, there is not a mandated energy price increase between the year 1998 and 2008. We're acknowledging that in the binding -- in the emissions trading period that it can't be ruled out that there could be some effect on energy prices. We're saying that part of that is going to depend on what the success of the variety of different efforts, many of the nine steps that the President has had there.

Q Well, what I'm saying is, haven't you guys done an analysis that say best case scenario it's X, worst case scenario it's Y. And if you have, won't you share that with us?

MR. SPERLING: I think I'll let Larry speak. First of all, there is -- you know, I've been around here five years. If you want an econometric model to show you something 13 years out, you can do anything you want. You can show anything that you want. What we're trying to do is --

Q We'll keep that in mind the next time you --
(laughter.)

MR. SPERLING: What's that? The next time that we predict what a particular policy right now will be 13 from now with an econometric model, you can be free to show that to me, and I would say you'd have a hard time showing a time in the past that we've tried to predict 13 years out in that sense. But we have certainly been locked in doing a tremendous amount of economic analysis. When you look at the things there, you will see, for example in the five-lab study, that there is, from the Energy Department, there is very careful analysis on what the potential is for reducing metric million tons of carbon through the efficiencies in the three main sectors -- the building, the transportation, and the industrial sectors.

As Larry said, and this really is the first time today that the President will be and is announcing that he will be supporting an electricity restructuring proposal, there is certainly in that area a tremendous amount of waste because there is not incentives to capture the full amount of energy that is used.

We have gone through all of this analysis, but I think that what we have tried to do, and I think what the economic team has worked to stress, was to recognize where there is really is uncertainty, that rather than to try to pretend that you can draw a road map from here to Los Angeles with every street and turn in it over the next 13 years, is to try to have a process where we have the ability to incorporate what we are learning, what we are seeing, what works. That is, I think, the soundest and most realistic approach for us going forward.

We clearly think that if things -- if this country mobilizes the right way, that we can get there without having a significant price increase, even after the year 2008. One of the things that will be a key element, and I can let Larry speak to that, is the success of having a truly international system with international trading. Where you allow for the most market efficiencies, where people have the ability to seek out the places where there is the greatest capacity to reduce carbon greenhouse gas emissions at the lowest price, that will be one of the most key elements in determining how much we can do this in a cost-effective way.

And that's one of the points one has to understand in climate change. When you reduce a million metric tons of carbon, when you reduce carbon emissions anywhere in the globe, it has the same impact. And so having a system develop over time that allows that to happen will be absolutely critical and vital to what the costs are. If you assume that that will work very well, extremely

well, then you can have very, very, very, very low cost impacts. If you assume that it won't, then it would be more difficult.

And I think, again, what we've tried to do is incorporate a process where we can constantly review that and where the country can make adjustments accordingly.

Q I just want to get back to something you didn't finish. Do you have a targeted number, or any range --

MS. MCGINTY: We're not specifying a number at this time.

Q At what point would you get around to specifying a number?

MS. MCGINTY: To hearken back to what Gene has outlined, at this point the President is outlining a very clear plan that takes us, not from today to tomorrow, but a clear plan for the next decade, for the five years that follow that decade, in that five years to hit 1990 levels on average between 2008 and 2012, and beyond, to say we need then to move to reduce emissions below 1990 levels. We're not going to specify that specific target today.

Q When will the period come when you begin to specify?

MS. MCGINTY: It's still under discussion.

Q Is it within the next year or is it --

MR. STERN: The point I think that Katie just made is we're not going to start negotiating in public. That's why we have negotiators who go to Bonn and then to Kyoto.

Q How does the \$5 billion in tax cuts on R&D break down? And over what period of time would that be? And when you might get something like that before Congress?

MR. SPERLING: That will be in our fiscal year 1999 budget. We met, the team working on this, with the budget team, including Frank Raines, and we tried to almost do an early budget review so that we could make sure that we have room in our budget for a significant initiative. And so what we are comfortable doing this time is announcing that there will be a \$5 billion, or at least a \$5 billion in R&D and tax incentives. What the exact composition is of those will be announced with the rest of our budget.

Q Over what period of time will that \$5 billion --

MR. SPERLING: That's \$5 billion over five years. So at least \$1 billion a year of additional funds beyond -- or tax incentives beyond what we have currently.

Q If I could follow up, Gene, you said that most of those ideas, or many of them, will come from this report from the President's committee on science and technology. So could you at least outline a few or highlight a few from that report that are likely to be in your package?

MR. SPERLING: We are announcing almost, as you see, almost every element we have now. It is not our intention to announce the specifics of every single thing we're going to do now, quite honestly. This is something the President cares very deeply about. He wants to return to this, and we will roll out the details of our plan periodically. But also, you have to understand, we do our budget review in the first two weeks of December, and so we will have time and opportunity to spell out in detail as we present our

budget the exact specifics. Certainly, the -- recommendations will be highly considered and certainly many of those will make it into our budget.

Q How flexible, Gene, are you going to be in the negotiations this week, next week, up to Kyoto, with regard to your binding target proposal for the industrialized world? Is this a take it or leave it proposal from the United States, or are you flexible enough in these pending negotiations to perhaps strengthen the binding targets the President outlined today?

MR. SPERLING: This is our position; this is a position that the President has worked on himself. He has developed this plan himself. He took this from a variety of different recommendations, all of this, gave him -- he pulled different pieces and put together a strategy that he feels comfortable with. This is our position. And when I say that we're not seeing anymore, I'm not commenting one way or the other on what would happen in negotiations. This is our position and this is where we stand.

Q Gene, what has happened since the time the President set the year 2000 as the goal? What's changed since then?

MS. MCGINTY: I think this is an important point. We have a lot of attention to this issue now because Kyoto is on the horizon, but the fact is that the President has been hard at work on this issue since 1993. First, he reversed the position of the previous administration and signed the United States up to the goal of reducing emissions to 1990 levels by the year 2000. He followed that immediately with a 50-point plan to help us to achieve that goal.

Now, that plan has delivered very significant reductions in emissions from where they otherwise would have been. Did it get us or are we on track to get to the year 2000? As we articulated more than a year and a half ago, we are not on track to do that. Why? One, economic growth has been quite robust and more robust than even we had anticipated in the beginning of 1993. Two, oil prices have proven to be lower than were anticipated in early 1993. But, three, and most compellingly and importantly, is that the Congress had as part of its anti-environmental agenda, had not funded the President's initiatives in energy efficiency and renewable energy. Now, despite those three factors, the President's efforts have delivered significant emissions reductions from where we otherwise would have been, on the order of about -- for the jargon -- on the order of about 40 million metric tons of carbon emissions.

You will see today major utilities in the United States standing up and saying that the President has outlined today a very sensible and very strong policy to move forward on reducing greenhouse gas emissions. Many of those utilities have been working in partnership with us since 1993, with the President's leadership. They have signed up voluntarily and have voluntarily reduced their emissions significantly.

So we have been at this consistently since 1993. Kyoto presents us an opportunity with taking this issue now to the next steps where we can join together with the world community, looking beyond the year 2000 and the steps that have to be taken then.

Q Are the utilities that began participating in '93 going to get credit for those reductions?

MS. MCGINTY: One of the points that the President wants to emphasize today is that we will build a program to provide credit for those who will take early action. As part of our effort to do this, to undertake this effort in partnership with industry, we will

work with them, we will work with members of the environmental community to put the details of that initiative together.

But the idea is simple: We want to incentivize industry to take action now to reduce emissions -- not to wait until the year 2008 to begin. If we have a marketable permit scheme in the year 2008, for example, then what we would be talking about here is working with industries so that they could get credits to play in that tradeable permit scheme that would be set up in the year 2008 for the actions that they take to reduce emissions now. That's one of the ideas we would pursue.

Q Does that have budgetary impact, the provision of credits --

MS. MCGINTY: Budgetary in what sense?

Q Does it cost any money off the budget? Is it a tax incentive? I don't understand your credit.

MS. MCGINTY: No. The notion of a marketable permit system is that you provide permits to various actors in the economy and they have a choice: They can reduce their emissions to the level required, or if it's more cost effective for them, they can purchase permits from other players in the economy who have not only met their target, but gone over and above it. And the idea is simply that those who take actions now won't be penalized for having taken action early, and that those reductions in emissions that they achieve will be recognized when the binding period comes into play.

Q -- this document, it does indicate here, we reject the European proposal for more stringent early reductions. Would you remind us of the reasons for that rejection?

MS. MCGINTY: Well, I'll first of all remind you of what the European policy is. Overall, the European Union has called for a 15 percent reduction from 1990 levels by the year 2010. Now, the reasons that that approach is not appropriate for the United States, that we feel is not realistic or achievable, is also related to why we believe our plan is significant, but realistic and achievable.

The President's plan will reduce U.S. emissions by 30 percent from where they otherwise would be in the year 2010. That's an ambitious undertaking. To go further and add to it 10 or 15 percent additional reductions, we don't believe is realistic or achievable in the time period that we are looking at. It just underscores the fact that what we've tried to do here is a very significant and ambitious plan, but one that is built on the opportunities that we know that are out there, that can enable us to get started now and seize some economic opportunities; that's what the President's target represents.

Q What's the number now, from this point to back to 1990 levels? I've heard between 15 percent and 20 percent. What is it from today's date?

MS. MCGINTY: Well, in the year 2000, business as usual, it would be 13 percent. But do we know today -- I think it's about 7.5 percent -- 7.5 percent. Today I think we are on the order of about 7.5 percent above 1990 levels of emissions.

Q -- you expect emissions in the United States to start --

Q What's the point of having an economic review of how we're doing five years out if we're committing to binding targets? I mean, if you're saying we absolutely will meet these by this date, and your economic review says, geez, you know what, it's

going to cost a lot more money than we thought it would? There's no opt out, is there?

MS. MCGINTY: The notion of economic reviews as scientific reviews is just common sense. We are putting forward here some very ambitious ideas that we think can deliver both environmental and economic results. But we want to make sure we are seizing all the best opportunities that are out there, and the point of that review is to make sure that all the best ideas are ideas that we are implementing.

Q If you don't envision a clause that lets you out -- is what I'm asking, is there any clause that lets you out of this? If it says this is going to cost a lot more than we thought and we can opt out or not, is it really binding?

MS. MCGINTY: It is a binding treaty and it's very important to the President and a principle that he has consistently put forward is that we are now moving into a period where binding emissions reductions are absolutely required, certainly.

Q So there's no -- if five years from now we say it's going to cost a lot more money --

MS. MCGINTY: Look, there's no treaty in the world that would require a country to bankrupt itself. And this treaty is no different than any other treaty in the world in that respect.

Q When does the United States expect to stop increasing its greenhouse gas emissions and start decreasing them? How will we know if we're not performing, because the track record so far is one of saying you are going to meet targets and then missing them, saying you were going to review them and then postponing them. When are we going to actually turn the corner and start cutting down?

MS. MCGINTY: Well, let me just say that the whole point of the series of efforts that we have announced today is to enable us not to wait until the year 2008, but to move forward now. We are going to do our level best through providing the tax incentives we've spoken about, by designing a program that affords credit to industries for taking early action, by investing in new technologies to begin to turn those curves just as soon as we can. But we are moving as ambitiously and as aggressively as we can toward that target period.

Q When do you expect U.S. greenhouse gas emissions to start going down?

MS. MCGINTY: From where they would otherwise be, we would hope --

Q To stop going up. They're going up. It's a very simple question.

MS. MCGINTY: You may be on a level of technical detail that I can't provide.

Q Can anybody say when the emissions are going to start going down?

Q The EU has put forward a much stricter proposal and the developing countries in Bonn just signed a statement saying they support the EU proposals. So how good do you think the chances are of getting a treaty out of Kyoto?

MS. MCGINTY: Well, let me underscore, this is a very difficult undertaking, and the President is addressing it with tremendous seriousness of purpose, as was referred to here before. He has worked this issue very hard with leaders from around the world. Now, I just say and underscore that U.N. processes operate

often, and this one does, on the basis of consensus proposals and moving forward on a consensus basis.

What we are trying to do here is not only hear the voices who want to go much quicker, much further, much faster, but recall that there are many voices out there, too, many countries who are saying much less, much slower, if not, nothing at all. And what we are trying to do is provide that leadership that can hopefully take those two extremes of the debate and find that common ground that would enable the world to move forward in a reasonable and effective way in the years post-2000.

Q I don't understand the global thing. Could I just ask for clarification on what the President today envisages in the treaty with regard to global obligations from the developing countries? Would it necessarily be binding targets and timetables, or could it take another form?

MR. MCCURRY: That's been asked and answered.

Q That's not been answered.

MR. MCCURRY: It's been answered as well as it's going to be answered.

Q The previous proposals on developing countries, do they still stick? That is, some may -- that the large developing countries should graduate into commitment, into binding targets? What's been going on the last six months, does that still hold?

MR. STERN: Well, I'm not sure exactly what you're referring to, but what I think you are bringing up is the nature of the problem, which as I said earlier, there is general agreement that the problem of global warming, of global climate change, is not going to be resolved without the participation of developing countries. What, when and exactly what participation will mean is obviously what our guys are going to be doing in Kyoto, and therefore, it is premature to indicate exactly what that means.

What we can say, and what the President will say this afternoon is we will not assume binding emission reduction obligations without the participation of the developing countries.

Q On the post-2012 role, you all are saying you are not taking a specific target. But yesterday environmental groups say that they were told there would be a five percent reduction as a goal and then that was abandoned last night. Can you say why that -- the President backed off that as a specific target?

MS. MCGINTY: That is a number that some of the environmental community have suggested. We just have not arrived at a number and are not prepared to discuss one right now.

Q They said the administration told them that. That's not true?

MS. MCGINTY: It's a number that I've heard them discuss.

Q But you all never told them that?

MS. MCGINTY: No.

THE PRESS: Thank you.

END

2:04 P.M. EDT

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REMARKS BY PRESIDENT CLINTON AND PRESIDENT CARDOSO AT SIGNING OF DECLARATION ON EDUCATION

THE WHITE HOUSE

Office of the Press Secretary
(Brasilia, Brazil)

For Immediate Release

October 14, 1997

REMARKS BY PRESIDENT CLINTON AND PRESIDENT CARDOSO AT SIGNING OF DECLARATION ON EDUCATION

Garden of Alvorada Palace
Brasilia, Brazil

1:40 P.M. (L)

PRESIDENT CARDOSO: Mr. President of the United States of America, William Clinton, ladies and gentlemen, may I say to you first what a pleasure it is, Mr. President, for me and for Ruth, my wife, to welcome both you and Mrs. Clinton. And I'd like to take advantage of this opportunity to state our pleasure, and I'm quite sure the pleasure of the Brazilian people as a whole. This is particularly due to the excellent relations between the two of us, which I think makes it obvious to everyone that there is a friendship that joins these two Presidents, and that we share a great many interests -- and by "we," I mean our two peoples.

On both sides, we are interested in ensuring that we will draw closer together and bring our societies closer together as well in very practical ways. We've had a number of opportunities in which to chat. We've covered, I think, just about every problem that was on our agenda before this meeting, including the most general problems, such as peace throughout the world; including the possibility of working together in a number of situations which might require more direct action on the part of the United States or Brazil -- not just in our region, of course, but also views were exchanged, opinions were exchanged about a number of international problems as well. And I can assure you that we both agree with regard to the overall objective, which is to increase the prosperity of people on the Earth as a whole.

It is also our conviction that prosperity is something that needs to be made a general phenomenon. The prosperity of one nation should not harm the prosperity of any other nation, and nothing leads us to believe this. On the contrary; we feel that what's good for Brazil is good for the United States, and what's good for the United States is good for Brazil as well.

Just in terms of commercial relations, for example, the United States is our number one trading partner. But Brazil, as we like to say, is also a major global trader. We have excellent relations with the Mercosur countries, other countries in Latin America, with Europe and Asia, not to mention Africa. And it is with a full understanding of the comprehensive nature, the global nature of our relationships that we, in turn, have been able to reach a closer relationship.

We have underscored our commitment to the sort of endeavor that we have embarked upon, for example, in Mercosur, which is a very important part of our foreign policy in Brazil, which we feel to be an example of the success of the work of these four countries -- Paraguay, Uruguay, Brazil, Argentina, and now Chile as well.

Much agreement has been reached with regard to trade, democracy, keeping peace. And we also believe that by working together we can move towards the integration of the Americas as a whole in such a way as to avoid harming our Mercosur interests and in such a way as to avoid harming the interests of the NAFTA countries. But we should integrate the hemisphere as a whole in the line with the view that has already been expressed just a moment ago -- in other words, prosperity for all is best for each and every one.

On the other hand, it also became quite clear that we agree on a number of other issues, even at a personal level. For example, our take on problems is quite similar in our two countries. An example of that fact can be seen via the declaration that we are now signing in the area of education, one of the social area endeavors. I was extremely pleased when I heard President Clinton's State of the Union address, because he spoke about education and what he said certainly made me feel quite enthusiastic. What he said moved us. As a former professor and as two human beings, I'm sure that we agree that education is an instrument which will allow us to equalize relations within a society and to do away with so many of the differences and asymmetries that can exist among countries as well.

In this meeting we would like to reaffirm our full commitment to all the programs in the educational field as a symbol of our concern of the social issues. The integration that we are seeking to pursue as the regional, sub-regional and even at a broader level, as soon as that becomes timely, is going to be integration that will exclude no countries, no fragments within countries, either. Integration is designed to improve the standard of living of the peoples who integrate.

Another thing that we can go over is a list of key issues that have to do with, for example, the **climate change**. President Clinton, for example, holds the view that I think is quite proper vis a vis **climate change**. He talks about shared responsibility. He talks

about the fact that responsibility should exclude no segment of humanity because the **climate** is something that involves the preservation of the conditions of life for future generations throughout the planet. So we must come up with mechanisms which will allow us to reduce the greenhouse gas effect. We should reduce the greenhouse gases, but in such a way as to ensure that we're not harming the interests or the development of any country -- the United States, Brazil or developing countries. These things should be done in a balanced way to ensure that we will solve the problems and do so in the best way for our countries, which is what we're going to try to do in Kyoto in December.

Another thing that we're doing is broadening our cooperation in the field of space studies in a clear demonstration of a number of possibilities that exist for cooperation between Brazil and the United States, certainly in terms of advanced technology.

I don't want to take up too much time, but may I reaffirm the fact that -- very simply, because we did cover such a broad range of topics -- the fact that we avoided no single topic is a clear sign that we can reach an understanding even upon those things that we have some slight misunderstandings on. And, of course, misunderstandings usually just reflect the interests of our individual countries that we, of course, must defend properly, but at the same time in a way which shows that we have an old friendship, a long-term friendship and this friendship allows us to deal with these issues in such a way.

I'd like to repeat something I said in the Panalto Palace. Since the second world war never have we seen so many possibilities for cooperation in so many broad fields -- certainly nothing compared to the many opportunities that are opening up for Brazil and the United States right now, which is why I'm particularly pleased to speak via the media to the peoples of our countries to reaffirm the tremendous satisfaction that I feel in being able to welcome this great President, Bill Clinton, in our country.

Thank you so much. (Applause.)

PRESIDENT CLINTON: Thank you very much, Mr. President. Let me begin by thanking you and Mrs. Cardoso and the representatives of your government for the warm welcome you have given to us, including our very large delegation, the senior members of our administration, a big percentage of our Cabinet and the distinguished delegation from Congress. We are delighted to be here.

I believe this visit marks a new phase in the long friendship between the United States and Brazil. This is clearly a unique moment of opportunity in the Americas. A quiet revolution is bringing our hemisphere together around common values of democracy, free markets, mutual respect and cooperation. It gives us the opportunity to advance the welfare, the freedom and the security of all of our people in a way that has not been possible before.

Because we have the largest economies and the most diverse populations in the hemisphere, Brazil and the United States have both a special ability and a special responsibility to help lead the Americas into the 21st century. Under President Cardoso's leadership, Brazil clearly is meeting that challenge in fulfilling

its destiny as a great nation. Through your own remarkable economic reforms, your strategic partnership with Argentina, your leadership in Mercosur and throughout the hemisphere, and increasingly on the wider international stage, Brazil has helped to consolidate peace and democracy and to promote prosperity and stability.

Brazil and the United States share a fundamental belief that opening the markets of our hemisphere to trade and investment is the best way to create good jobs and strengthen democracy and cooperation in all our countries.

Three years ago, when we met at the Summit of the Americas in Miami, we pledged to pursue a free trade area of the Americas by early in the next century. Today, the President and I agreed that at the next Summit of the Americas in Santiago, we should launch comprehensive and balanced negotiations to achieve that goal, turning our common agenda into a common plan of action.

If I might, I'd like to just speak a moment about what I think has been the cause of some misunderstanding between our two countries, which is the question of what the American attitude toward Mercosur is and what its relationship to our support for a free trade area of the Americas is.

I support Mercosur. I think it has been a good thing for Brazil, a good thing for all the member nations, a good thing for stability, for growth and cooperation in the region, and quite a good thing for the United States. Our exports to the Mercosur countries have grown substantially since 1991. And we believe that these sort of regional trade arrangements everywhere -- if they serve to open borders, to increase economic activities and to promote growth, promote stability and opportunity that benefit Americans.

We believe that we can create a free trade area of the Americas consistent with Mercosur and the leadership and role of Brazil and the other members in it. So to me, this is a false choice that we don't intend to ask the Brazilians, the Argentineans, or the other members of Mercosur to make. We believe we can build on this and go forward to a free trade area of the Americas.

Trade has produced about a third of the economic growth the United States has enjoyed since I became President in January of 1993. And I'm working hard to continue to expand our capacity to trade and to create good high-wage jobs in our own country by securing the presidential negotiating authority necessary to tear down more of the trade barriers of the past so that we can open wider the doors of the future to good jobs and higher incomes.

Now, let me say that as we promote more free markets and more free trade, I believe that all of us must work harder to extend their benefits to all citizens. No great democracy has succeeded in doing that so far. We know we have to begin by ensuring that all of our citizens receive the education and training they need to succeed in this new economy. And I applaud the President's emphasis on education. The education declaration we have just signed focuses on what I believe the keys to making education work in both our countries are.

First, high standards for what children must learn and testing to measure their progress. Second, training our teachers so that those to whom we entrust our children's future are, themselves, well-prepared. Third, intensive parent and community involvement. And fourthly, something the President has worked very hard on, access to technology to realize the possibilities of the information age for all our children.

In the United States we're working hard to make sure that every classroom and library in our country is hooked up to the Internet by the year 2000. We're giving discounted rates to our schools so that they can afford to be on the Internet. And we are finding something I am certain will be the experience in Brazil as well, and that is that very often the largest benefit of this technology revolution will flow to the children who are most in need, who tend to be in isolated rural or urban school districts where they have not had the chances and the opportunities many of our other children have. So I think that the Internet can be an instrument by which we democratize as well as increase the excellence of educational opportunity.

We've also agreed that we can't have today's progress at tomorrow's expense. The President talked a little bit about our common commitment to the environment. The clean energy agreement we have signed will help Brazil to continue to grow, fueled by renewable and efficient energy technologies. Our park services will work together to protect wetlands like the Everglades and the Pantanal Park in Brazil. We share Brazil's determination to conserve the Amazon, one of the most wondrous and biologically diverse environmental habitats in the world. The United States will contribute another \$10 million to the G-7's cooperative program with Brazil to sustain the rainforests. And we will help Brazil to put 21st century technology into this effort, including research done by Brazilians in space.

The fires throughout the Amazon have added urgency to these efforts, and the uncertainties about the climatic effects of this El Nino, both in South America and in the United States, have also added urgency to our efforts.

We did, as the President said, discuss the challenge of **climate change**. Five years ago in Rio, the world community began to chart a common course to reduce the greenhouse gas emissions that lead to global warming. Developed countries have a special responsibility to lead. I told President Cardoso that the United States will meet that responsibility with a commitment to limit our emissions when we meet in Kyoto on December the 6th. But as we do our part, I believe so, too, must the developing world. **Climate change**, after all, is a global problem that requires a global solution.

So here is the question, it seems to me -- and I would like to talk a little about this because I think it's quite important -- I think it's very important that the people of Brazil understand that just as with the trade issue and Mercosur, the United States would never knowingly make any suggestion that would undermine the growth of Brazil or any other country. It is not in our interest. We, after all, only have 4 percent of world's people. We enjoy a very high standard of living. We can only maintain our own standard of living if you grow. If there are more good jobs for Brazilians, higher incomes, more people are brought into the social compact in this country, then you can be a stronger partner, not only for us,

but for your neighbors in this continent and throughout the world.

So our strategy is to aggressively support the growth of the emerging economies of the world, the strength of their democracies, and our capacity to cooperate together. I do not believe that any reasonable person can look at the world of today and imagine the world of tomorrow and believe that America can gain by someone else's economic loss. We have an interest in finding a way to grow together.

By the same token, the world will not gain if some countries limit their greenhouse gas emissions and other countries grow in the same old way with the same old energy base so that the **climate** continues to warm more rapidly than it has at any time in the last 10,000 years.

So what we want to do is to find a way for the developing countries to fulfill their responsibilities within the framework of Kyoto, recognizing that those of us in developed countries must do more, but that we must all participate. And we want to be very explicit that any participation on your part would not come at the expense of economic growth.

Developing nations have an opportunity to chart a different energy future than some of the developed countries. And if we share our technology and we share our knowledge, then we can achieve that. This is very important.

Brazil has already gone a long way toward proving this point, because you have developed so many non-traditional fuels, biologically-based fuels, for running your vehicles. So you have given evidence to the general point that I hope will be embraced by all the countries of the developing world. And I encourage that.

Finally, let me say, we talked about expanding our cooperation in regional and global security, and I want to say a word of appreciation to Brazil as the guarantor of the Peru-Ecuador peace process, and appreciation for its historic decision to join the Nuclear Non-proliferation Treaty and to sign the Comprehensive Test Ban Treaty. In all these actions, Brazil has taken its place as a world leader for peace and security.

Today, the Mutual Legal Assistance Treaty we signed will help us to crack down on drug production and trafficking and fight transnational crime in a way that benefits all of our people.

President Cardoso said two years ago when he visited me at the White House -- and I quote -- "The vocation of Brazil and the United States is to stand together." I believe we stand together today as never before. The issues we face are central to the well-being of both our peoples. The fate of our hemisphere, with strong democracies, a commitment to fight crime and drugs, to work for lasting peace, the future of the new economy, preparing our people for the 21st century -- that's what this trip is all about. These are all objectives we share, and they really matter to ordinary citizens in both our nations and throughout this hemisphere.

Thank you. (Applause.)

PRESIDENT CARDOSO: President Clinton, I'd like to ask you to begin if you don't mind.

Q Mr. President, Attorney General Reno has made her decision and will extend her inquiry into your telephone fundraising to determine whether a special counsel should be named. How do you feel about that hanging over you for another 60 days at least?

PRESIDENT CLINTON: I feel nothing about it. There is a law and there are facts. And I feel that it would be much better if she were permitted to do her job. I know I didn't do anything wrong. I did everything I could to comply with the law. I feel good about it. But I told you yesterday, the thing I don't feel good about is the overt, explicit, overbearing attempt to politicize this whole process and to put pressure on more than one actor in it. That's wrong. There's a law. There's a fact-finding process. And I'm going to cooperate with it in every way I possibly can.

Q Mr. Clinton, will the recent -- between the European Union and Mercosur affect how you formulate your strategy for commerce in the Americas?

And for President Fernando Enrique, the question is, what is the relative importance of Europe as far as Brazil's commercial strategy or trade strategies concerned, especially vis a vis the United States?

PRESIDENT CLINTON: Well, first of all, if I were in Brazil I would be trying to sell as much as I could to America and to Europe. I think that's the way this market works. Both the European Union and the United States have increased our exports to Brazil and to the Mercosur countries in the last few years markedly. So I don't feel threatened by it, I just want to make sure we're fully competing. And if we don't fully compete, it will be our fault, not yours and not Europe's.

That's one of the reasons that I'm seeking fast track authority. It's up to the United States to decide whether it's going to be a fully competitive nation, but we have -- in the last two years, for the first time in a long time, more than half our new jobs have come in the higher wage categories. And it's the direct result of our aggressive pursuit of trade opportunities.

So I'm prepared to compete and all I want is a fair chance to compete with the Europeans here or anywhere else. But I don't see that as a bad thing. If I were in your position, I'd be trying to sell more to everybody.

PRESIDENT CARDOSO: Well, I believe that what President Clinton said is most helpful to us. The more competition we have between the United States and Europe for trade, the better it is for us because it makes our products much cheaper. So I agree with President Clinton. It is true that Brazil's number one individual client is the United States today. But the European Union, as a whole, or taken as a whole, imports and exports a bit more than the United States, actually. We

are now, as I said before and I'm going to repeat this, global traders. We actually trade with a number of countries and areas throughout the world and we're very interested in increasing these trade flows.

With regard to the United States, we have increased such trade flows. Unfortunately, we have an increasing trade deficit as a result of the increased trade with the United States. So we have to review this situation and try to balance it better to the benefit of both. We want to increase imports and exports. We don't want a zero-sum game and we don't want a game in which one loses and the other wins. We want a win-win situation in the trade arena.

That is why we say that our trade policy with Europe is very active. It will continue to be very active. But I agree wholeheartedly with President Clinton -- we cannot think about such economic blocks as isolated fortresses. They have been designed to increase trade, and we're going to take advantage of every opportunity that we can find to intensify our trade abroad, to sell things abroad. We will do so whenever we can. We're not going to close off our economy because our competitiveness, our progress in the area of technology and the cheapening of the products for own people depend on such trade.

Thank you.

Q Mr. President, in Venezuela your discussions included alternative energy sources. Here you've also discussed safe or clean energy sources. I wonder, given that in the United States there is opportunity for improvement in the area of both energy incentives and also reducing the amount of emissions, do you find it difficult to discuss this topic while abroad?

PRESIDENT CLINTON: No, because I don't think the two things are inconsistent. I think we are -- a real responsibility in the United States to do energy conversion. We were on that path, ironically, 20 years ago, when our experts underestimated the amount of natural gas reserves that would be available to us in the United States and throughout the world. And we thought we could move to a clean coal technology and do the job. We now know that that decision was not accurate. But the people who made the decisions 20 years ago did it based on the best evidence they had at the time.

So I think we're going to have more reliance on natural gas and other forms of energy that are even cleaner. And we have to do more conservation. If you were there at the **climate change** conference we had at Georgetown a couple of weeks ago, we learned, among other things, that two-thirds of all the heat generated in the production of electricity is wasted. If we can recover half of that waste heat, we will generate enormous new capacity for growth without adding one single pollutant in the form of greenhouse gases to the atmosphere. So we've got a lot to do on our own account.

But as I said -- let me reiterate what I said. What I want to do is to try to help the developing countries grow their economy just as fast as would otherwise be the case, but chart a different energy future than the one we charted in the past when we were at the same stage of development. And the question is, can they do that. I think it's absolutely clear, crystal clear that they can.

And this is a big problem. In China today, bronchial disease is, among children, the number one health problem for kids in the country already. So I want the Chinese economy to grow and the Chinese people to prosper, but I think they should choose a different energy course for the same growth. And I think they can and we should be trying to help them. If we don't do it, then no matter what we in the developed countries do, within 30 to 40 years we'll be right back in the same pickle we're in today, except worse.

Q I have two questions for both Presidents. For President Clinton, since 1995 both governments have worked on the bilateral trade with you, but so far they have no concrete results. And the perception is that Brazil is still complaining about trade barriers and better access to the U.S. market. So I'd like to know if both Presidents have now a new orientation toward a new phase in the trade bilateral relationship.

For President Fernando Enrique, my question is, if there is no fast track authority, if this is not granted, would Brazil be willing to negotiate -- if there is no fast track, do you believe that there will be an continuity in the negotiations of FTAA? And if there isn't, would Mercosur take on this role -- in other words, the role of the principal protagonist in terms of trade in the region?

PRESIDENT CARDOSO: I don't want to make any bets on American policy. If there is going to be this sort of a policy or not is the United States' problem. I think that President Clinton is going to be in a position to get the fast track authority he wants.

But integration, whether we're talking about integration throughout the hemisphere or Mercosur, are two processes that are very interesting to our economies, quite apart from any political issues, which will simply decide the speed at which such issues are decided.

So what President Clinton said was crystal clear when he talked about his view of Mercosur and FTAA. He said there is no clash between the two; there is no opposition. There is simply a situation, and we have to give ourselves enough time so that we will be in a position to prepare for increased competition. It's just a matter of time, procedures, so that we will be in a position to participate fully in conversations and understandings.

So with or without a fast track authority, the question is, is it good or bad for us to increase international trade, and the answer is always the same -- it's always good to increase international trade. So I would say that the other factors are just conditioning factors, but the key objectives are out there and they're unchanging.

We will continue to work to our utmost to consolidate Mercosur, but simultaneously to work on the FTAA. We signed an agreement in Miami -- I didn't sign it myself personally, but I was just the President-elect, but President Clinton was kind enough to ask me to come and observe. And this is not just a commitment on paper. It's a real commitment -- we really want to increase our trade foundation.

Now, people are talking about the United States, Europe and so forth -- trade is trade. We have to look at things one question at a time, how we're going to deal with the interests that are being affected, how can we build bridges in such a way as to benefit the parties involved. All of this involves a long construction process.

PRESIDENT CLINTON: Let me say, first of all, I would only add to what the President said that I believe, and I think he believes, as well, that if we can proceed with this free trade area of the Americas, it's also a way of stabilizing the democratic governments of many smaller countries in our hemisphere and giving them some assurance that, if they stay with democracy and reform, their people will also be able to reap some economic benefit from it.

So I think it is important that Brazil assume a leadership role in this fashioning of this whole agreement. And I hope they will, because I think what we're trying to do is to say, this is, first and foremost, about economics, but economics supports freedom and democracy and stability if we do it properly.

Now, on the question you asked me, the trade question, let me just briefly say, we went over the specific trade issues that Brazil has with the United States and the specific trade issues the United States has with Brazil. And we -- obviously, neither one of us are trade negotiators and these are somewhat specific and, in some cases, almost arcane issues involved, but what we did do is we resolved that we would give both sides instruction that we want these matters resolved if at all possible and as quickly as possible. They're dragging on, they're an irritant to our relationship. And they're, in the context of our larger objective, a negative rather than a positive force and we'd like to have them resolved. And that's basically the decision we made.

Q Mr. President, just to go back for a moment to Janet Reno and her investigation -- I'm wondering if you can tell us, has this whole affair complicated your relationship with her and your ability to actually function with your highest ranking law enforcement official? For instance, do you find yourself not talking to her because you're hesitant to have too much contact with the Attorney General?

PRESIDENT CLINTON: Well, I don't really have anything to add to what I said yesterday about that. I think you all are perfectly capable of drawing your own conclusions and evaluating whether this puts our political system in balance or out of balance, and I don't think that we should discuss it here.

The most important thing is we've got a law; we've got a fact-finding process. The fact-finding process should proceed with integrity; the law should be implemented without pressure either way. I am doing my part. I wish others were doing as well.

Q Mr. Fernando Enrique, I hope you don't mind if I ask Mr. Clinton the question. Mr. President, your visit was preceded by diplomatic turmoil. A document was disseminated that said that Brazilian corruption was endemic. This was commented on by the American Ambassador and his comments made things worse. The head of the Supreme Tribunal, the Superior Court in Brazil reacted badly, as did some other people in the federal government -- even a governor

of a federal district. And they also reacted not just to this issue, but to a number of other issues in which excess security was demanded by some of your advisors.

Brazilian authorities called this people's attitude rather aggressive. Not only authorities, but people as a whole in Brazil felt that they had been badly mistreated. I would like to know your view, sir. Do you think there was any exaggeration? Do you think there were any diplomatic mishaps in this situation?

PRESIDENT CLINTON: Well, first of all, I became aware of this document and the characterization of the Brazilian culture after it had been released. The document was wrong and it represented an appalling error of judgment for anybody to write such a thing. It has been decisively rejected by every American authority, beginning with the Ambassador here now. And it has been excised from the document.

So I regret very much that it happened, but once in a while such a thing may even happen in Brazil, where someone who works for some agency will put out something in printing which shouldn't happen. I can only ask the Brazilian people not to infer that that is the feeling of either the government or, more importantly, the people of the United States toward Brazil. I assure you that no Brazilian could have been any more upset about it than I was. I thought it was terrible and I did everything I could to correct it.

Now, in terms of the trip here, I just don't have enough facts to know. I know that our people historically, because of the problems that have periodically affected our Presidents -- always on our own home turf, I might add, always when we're at home -- that the security for an American President often seems to others to be too rigid and too uncompromising. But, as I said, we've never had problems with our Presidents' security in a foreign country, but we've had enough problems at home over the last 35 years and before that I hope you will at least understand that. But I try to make sure that our people are as understanding and cooperative with the people in every country and community they visit as possible, and I hope they have been. That's all I can say. I don't know the facts.

Q Sir, does it embarrass you when these questions about fundraising follow you on foreign trips, as they have on this one, or does it embarrass the country?

PRESIDENT CLINTON: Well, I can't be embarrassed by other people's judgment. I have no control over what you decide to ask about. That's your decision, not mine. That's a question you should ask somebody besides me. I didn't have anything to do with what was asked. I think other people sometimes in other countries wonder what it's all about, especially when everyone concedes that there was no request or improper public action in any way, nor did any occur as a result of whatever communications are in dispute.

But that's a decision for you. You have to decide what questions you're going to ask. I can't be embarrassed about how you decide to do your job.

Q I have a question that I want to ask both Presidents. People

who monitor relations between Brazil and the United States feel that the problems that we have had most recently are often exacerbated by the bureaucracies of our two countries simply because there's not enough involvement of the Presidents and the leaders of the two countries. This is criticism that's been leveled against our countries. I wonder if you would agree.

The United States has a difficulty being a superpower, and the only superpower, to deal with an emerging power in the Americas that is asserting its leadership as a democracy as a freer market. Former Secretary Kissinger told me recently that he believed that really you have to adapt, because you are not used to that. You have to adapt intellectually to that. I'd like you to talk about this issue. Does our emerging role bother Americans or the United States of America?

PRESIDENT CARDOSO: Well, at least as far as the Brazilian side is concerned, I was so very pleased because the touchiest issues are always being brought up for President Clinton. No one is asking me these touchy questions. I was so pleased up until now.

However, my involvement and President Clinton's involvement can only be that of people who are involved at a very general level involving problems between our two countries. Of course, there are always going to be some sort of bureaucratic problems, but I'm quite sure that we can deal with them quite easily. I think bureaucratic problems and red tape dissolve as soon as people see the warmth of our warm and direct personal relations, which are much more important than any bureaucratic entanglement.

Now, of course, we do understand fully that for security reasons, you do have some problems of your own. Luckily enough, we in Brazil don't have to face these major threats. It's not the case of every country. The United States particularly has had to face some very difficult situations. Of course, our security forces try to pay attention at all times in Brazil. But I'm always breaking the rules in Brazil and so far nothing has ever happened and things are very tranquil and I'm sure they'll continue to be so in the future.

But I'm quite sure that anything that comes up can be dealt with quite easily because of the warmth and the openness that President Clinton and Mrs. Clinton have shown to us in Brazil at all times. They have shown to all Brazilians that their trip is an open-hearted visit.

PRESIDENT CLINTON: I'd actually like to respond, if I might, to both your questions. Because the question you asked the President, I think the answer to your question is a lot of -- people who work in government bureaucracies the world over are following established policies, and they tend to acquire an interest in maintaining the established policies, and most of them don't have the authority to **change** it, which is why these kind of personal relationships are so important. Because it's our responsibility if we want to **change** the direction of the country not to blame the people who work for us -- and particularly the people who many not even be political appointees, they work through from one administration to another -- but to try to give different instructions, to send different messages down there.

And that's why -- sometimes I think, with all respect, sometimes members of the press and even our own publics say, well, why did they spend all that money and do that foreign trip, all the money we spent to come here, all the money we spent to entertain us -- why did they do all that? There didn't seem to be an great earth-shaking specific agreement. And the main reason is the very thing you said -- that we have to increase understanding, we have to increase sensitivity. And even subtle shifts in our position can send a different message to those down in the governmental hierarchies that have to implement these decisions on a daily basis. So I think that's a very good question.

The second thing is, does the United States, at the end of the Cold War left as being the world's only superpower, feel threatened by the emergence of Brazil or any other country. The answer to that is, I actually support the emergence of countries to a greater role of influence and responsibilities, as long as they share our basic values -- not agree with us on everything, but share our basic values.

If they're committed to freedom and democracy, if they're committed to open trading systems, if they're committed to giving all their people a chance to participate in the wealth that the global economy generates, if they're committed to a responsible global approach on the environment, if they're committed to working with us against threats that cross national borders -- terrorism, weapons proliferation, criminal syndicates and drug trafficking -- if they're committed to those things, then I don't see this as competition. I see this as people emerging to take on more responsibility. And if we work together, more good will happen.

I'll give you another example. When I became President, there was the question of whether the United States would object if, in addition to NATO in Europe, there were an independent European security force working with NATO. And I made it clear from the beginning, I support this. I don't see these things as competing.

We have to **change** because most of the threats to nations in the years ahead will come not from other nations, but from threats that cross national borders -- guerrillas, terrorists, weapons proliferation, drugs, crime, environmental and disease problems -- number one. And because most of the benefits that nations can derive for their people require them to cooperate with people beyond their borders, we will have to **change** our conception of how national power and influence is acquired.

National power and influence is acquired, ironically, by becoming more interdependent and cooperative with others who are strong and self-sufficient and self-reliant, but need to be allied with you. And I do believe, frankly, that this will require a big **change** in the way people look at politics -- not just in the United States, but elsewhere.

Q Since you spoke yesterday on Air Force One, it's been reported that the White House and the Justice Department have been negotiating to figure out a way that you could speak to investigators about campaign finance. Have you reached such an agreement? And under what conditions would you speak to the Justice Department?

PRESIDENT CLINTON: I know nothing about that I didn't say yesterday. I literally -- no one has talked to me about it and I know nothing to add to what I said yesterday.

Q Mr. President, Mr. President of Brazil, Fernando Enrique Cardoso, Brazil defends negotiations with the FTAA in complementation to tariff laws. Now, what complements are we talking about specifically as long as Brazil adheres to the calendar?

And for President Bill Clinton, last night, Mr. Clinton, you said that you felt touched by Brazil and had felt touched by Brazil for over 30 years. Have you been touched enough to say that you're going to give support to Brazil's candidacy on the Security Council so that Brazil will become a full member of the Group of Nine as well next year?

PRESIDENT CARDOSO: Okay, I'm going to break a couple of the rules here once again. Go ahead, one last additional question, very, very quickly before we answer.

Q The United States government wants that Brazil open the Brazilian market, but there are many restrictions against Brazilian products, like oranges. My question is, why not the USA don't **change** the situation, keep the situation and allow the free commerce for many Brazilian companies?

Fernando Cardoso, I would like to know what the Brazilian government's view on these non-tariff barriers against a number of Brazilian products that are trying to get into the U.S. market.

PRESIDENT CARDOSO: All right, I'm going to begin by answering the question on the additional agreements or side agreements to the FTAA. I think that President Clinton talked about his views very clearly when he talked about the meaning of the overall proposal for hemisphere-wide integration. And he made his comments in a way that I think was quite proper.

He said it's not just a matter of tariffs -- I'm going to talk about the tariffs in a minute -- but it's not just a matter of tariffs. It's a much broader concept that we're fighting for here, because we're talking about the fact that there are some political considerations that come into play. And, of course, political considerations are based on values -- a common desire, a shared desire to keep the peace, to control drug trafficking, to avoid criminal activities on the international level or in the international sphere.

So we're not just talking about trade here, so much so that what we proposed in the meetings that we've had thus far and that we're going to continue to have over the next few days, is that the key topic be education. And in Santiago, we're going to keep insisting on education as the key issue, because people can say, all right, very generously, let's talk about something that will move people, but that means that we have to talk about something that goes beyond tariffs.

Tariffs, of course, are very important to countries and their economies and especially interesting to specialists. But countries have much more that they talk about and disagree with in the area of

international relations aside from tariffs. And so we have to talk about things that will bring our people closer together.

Education is ideal because the basic tenet of education is equality, and I think that what President Clinton said here pretty much follows along the same line of thought. And we do not want to limit our relationship to issues that don't even require a meeting between Presidents, because technical-level meetings will be enough.

What we are here to express and symbolize is something far greater than this. It's the desire for democracy and greater equality. A country such as Brazil that has no reason to hide its problems, especially our social problems, which are so great in nature, is in a position to want very much to improve the standard of living of its people. Within Mercosur, outside of Mercosur, we're very interested in seeing that all agreements be broader in scope, just as President Clinton just said.

So with regard to the specific issues that were brought up -- you talked about steel and orange juice and footwear and -- everywhere throughout Latin America where President Clinton goes, he's going to hear the same issues being brought up. And elsewhere as well, because the French, the Japanese, the British, they all have the same problems. To the degree that our countries move forward and progress, especially Brazil, where the industry sector is growing rapidly, of course we're going to begin to compete and problems and are going to crop up. And, of course, some moment in time is going to require arbitration of some nature, which is not meant to be just political in nature. But the greater our understanding is, the better our possibilities will be of reaching an understanding as to these issues.

Now, there are specific points on the agenda of demands of our two countries that neither one of us have really talked about them much. Some were brought up now, but we both know what they are. And when President Clinton goes back to the United States, people are going to ask him, did they ask you about this, that, or the other. I'm not even going to mention what they are. He's going to say, yes, I did talk to President Cardoso about it. What did he say? Well, President Cardoso said he's going to give utmost consideration to these issues. And that's what I'm going to say to you. We're both going to work hard to try to solve these issues.

PRESIDENT CLINTON: Let me say again, on balance, the United States has a lower tariff structure than virtually any country in the world, and fewer restrictions on trade than the European Union, for example. And I hope we can work these last remaining areas out. If you think about how big and complicated our countries are and the fact that we have now two-way trade in the neighborhood of \$23 billion a year. The number of disputes is actually relatively small and I'm encouraged by that.

I'm not going to ignore the gentleman's clever question on the United Nations. First of all, you should know that today Brazil has been elected to a two-year term on the Security Council. Congratulations, Mr. President, that's a very good thing for the United Nations, as well as for Brazil.

The United States' position has been that the Security Council

ought to be expanded, that a permanent seat ought to be given to Latin America, and that the Latin American nations themselves should resolve how that permanent seat should be filled. This really is one of those areas where I don't think it's our place to tell the people of Latin America how to proceed here. I hope we will proceed and give a permanent seat on the Security Council to Latin America, because I think that the actions of the last several years clearly warrant that. And, again, that's another one of those questions like the gentleman who asked me about Brazil's emergence. The more there is a stable, constructive presence in global affairs presented by Latin America, the better off the world's going to be.

Q Thank you, Mr. President, and good afternoon. Based on your comments yesterday on Air Force One, sir, it would seem that you've been briefed on the videotapes that are soon to be released. What is your understanding of what's on them? And is there anything on them that causes you any concern?

PRESIDENT CLINTON: No, I think it's the same old stuff. As I said, those of you who have been going to the fundraisers with me, you've already seen it live so the replay will probably be boring for you. That's what I understand and I'm not worried about it.

Q Mr. President -- are already saying that-- (inaudible.)

PRESIDENT CLINTON: I've not made a decision yet about what to do. But let me say this, I intend to take a strong position there and I expect to probably be criticized by all sides. The United States, as our friends in Europe are well aware, is in a particularly difficult position when the benchmark is 1990, for three reasons.

Number one, we've had economic growth since 1990 far greater than Europe, so our greenhouse gas emissions have gone up more, which means we have more to do to go down. Number two, the Europeans are -- particularly if they're treated together --benefit from the incorporation of East Germany into Germany and the dramatic drop in production in East Germany, which has a high level of pollution. Therefore, they get a big reduction in pollution for something that - not because of any independent policy action taken, but because of the incorporation of East Germany into Germany.

And, thirdly, the presence of the North Sea oil for Great Britain gave Britain the ability to sell the oil, which is relatively polluting to other countries and keep the natural gas, which is quite clean, and substitute that for coal. So using the 1990 base mark, they have a lot of inherent advantages over the United States in terms of the degree of rigor required to meet any given target.

Nonetheless, I think there's so much we can do through technology and different purchasing patterns and conservation patterns, that I think that we can do quite a great deal. And I intend to propose that we do a great deal. What I'm trying to do is to put together a comprehensive agreement in Kyoto that will actually do what everybody wants, which is do reduce greenhouse gas emissions into the atmosphere substantially in the next century.

Right now we're at about double the volume of greenhouse gases

in the atmosphere that existed before the dawn of the Industrial Age. If we don't do something we'll be triple the volume by the middle of the next century. And we know that something bad will happen. Even though the skeptics on the other side say we don't know exactly what and when, we know enough to know it's not going to be good, and we've seen enough evidence of that so far.

So I'm going to have a credible plan. I'm going to do my best to get everybody involved in it. I hope I'll even have some success at selling it to the Congress. Right now, it may be a lot easier to sell it to the environmentalists and to the business community than to sell it to the Congress, but I'll do my best.

Q Mr. President, have you decided against using your line item veto authority? And am I mistaken, or is this becoming habit forming?

PRESIDENT CLINTON: Well, it's not habit forming but, yes, I used it again today -- as I told you yesterday I would -- on I can't remember how many projects, but more than a dozen worth more than \$140 million that were not either in my budget or recommended by the Department of Defense. I thought it was appropriate.

I know that a lot of members that voted for the line item veto in Congress now wonder whether they did the right thing, now that I'm exercising it. But I'd like to remind you that, again, I have deferred, in great measure, to Congress. Congress put in 750 projects not requested in our budget or in the Defense Department plan, and reduced overall weapons procurement, reduced overall research and development to pay for virtually all of them.

And I'm hoping that in the years ahead I won't be using it as much and future Presidents won't use it as much because it will lead to a different kind of negotiation in the budgeting process.

But I think what I did today was responsible and quite restrained. And I believe that it's important to send a signal to the American people that we're going to stay on the budget track we started on, and we're going to stay within these numbers and balance the budget. That's one of the things that's given us the big economy we've got.

PRESIDENT CARDOSO: I'd like to thank all the Brazilian and American journalists for having joined us and for being so good about answering all our questions. And may I say that the emphasis that President Clinton has put on the environmental issue is one that I would like to bring up for Brazil as well. We have an energy matrix that is very, very clean. We use hydro power and now gas, natural gas. And we are strengthening our links with regard to the energy matrix throughout the rest of Latin America. So I think that our dialogue in terms of **climate** has been extremely positive.

Thank you to everyone.

END

2:35 P.M. (L)

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White House Press Release

REMARKS BY THE PRESIDENT AT DNC YOUNG DEMOCRATS COUNCIL RECEPTION

THE WHITE HOUSE

Office of the Press Secretary
(Philadelphia, Pennsylvania)

For Immediate Release

October 8, 1997

REMARKS BY THE PRESIDENT AT DNC YOUNG DEMOCRATS COUNCIL RECEPTION

CoreStates Arena
Philadelphia, Pennsylvania

7:52 P.M. EDT

THE PRESIDENT: First let me thank my good friend, Steve Grossman, for the hard work he's done as Chair of our party. And I want to ask him and our national Finance Chair, Alan Solomont, who is here, who is also from Boston -- I appreciate what they said about Philadelphia in Philadelphia. Please don't ever say it in Boston. (Laughter.) We're trying to hold both beachheads in a tough time.

Let me say to the Mayor, Philadelphia has a wonderful Mayor, flack, promoter, arm twister, and leader in Ed Rendell. He always thinks -- (applause.) He's never ashamed to ask for the business, and I like that. And I feel pretty good at this podium. (Applause.) Somewhat to my regret, I will not be the nominee of our party in 2000. (Laughter.) And so, ultimately, it will not be my decision to make, but I will say this -- the last time we had a convention in Philadelphia, in 1948, it worked out pretty well for us. (Applause.) And I like that.

I'd like to thank the Saxophone Club and the Young Democrats from Philadelphia, tonight's co-chairs, Lou Magazzu, Don Schroeder, Jill Ross-Stein, Jerry McCabe, and David Maser, and all of you who worked hard to make this a success. I'd like to thank you for coming here and for your good spirits, and for helping us to take this country in a new direction.

Through you, I would like to thank the people of Philadelphia who gave me nearly 80 percent of the vote here in the last election. I am very grateful for that. (Applause.) And the people of Pennsylvania, for twice supporting Al Gore and me and our administration and what we were trying to do.

Last week was the sixth anniversary of my declaration for the presidency, back in October of 1991. It's hard for me to believe that six years have passed and that almost five-eighths of my presidency is behind me. But I am very proud of what we've been able to do together. And I did it mostly for the young people of this country and for the future of this country -- because I wanted you to -- (applause) -- I believed that if we **changed** the direction of America we could create a nation in the 21st century where the American Dream really was alive for every person, without regard to race or gender or background, everybody who was willing to work for it.

I believe that we can create an America still leading the world toward peace and freedom and democracy and prosperity. And I believe we can create an America out of all of our diversity where we celebrate our differences and respect our differences and we're still bound together as one America -- a stunning challenge to all those countries where people are killing each other because of their differences. And that's what I want for you and your future and our children's future. (Applause.)

It seems hard for me to believe it was six years ago. I said, okay, let's all get together and work at this and we'll **change** this country. We will pursue a course based on the future, not the past; based on **change**, not the status quo; based on unity, not division; based on helping everybody, not just a few; based on leading, not following. And we'll have a government that doesn't try to do everything, but doesn't walk away from our challenges, either. And we'll **change** this country. And six years later, look at what's happened. In four years and eight months in office we've got over 13 million new jobs and the strongest economy in a generation; a lot of our most distressed neighborhoods are beginning to come back. (Applause.)

We just learned today that last month alone -- in one month -- there were 250,000 people who moved from welfare to work. (Applause.) That there has been a 26 percent reduction in the number of people who were living on welfare, moving instead into families living on pay checks -- the biggest drop in the history of the country. Five years of declining crime, thanks to the efforts of people like Mayor Rendell who took those police officers and put them on the streets in community policing programs.

This country has a stronger and cleaner environment than it had five years ago. This country has a smaller government and stronger partnerships with cities and states and the private sector. But we also stood against the Contract On America and the attempt to take away the things that bind us together as a country -- our common commitments to education, to the environment, to the health of our children, and to the future of our country. (Applause.) That's what this was about.

And as we look ahead, we've still got a lot of challenges ahead of us and a lot of things I hope we can do to build that bridge to the 21st century before we begin to celebrate the millennium in 2000, and I have to depart in January of 2001. And I just want to mention three or four of them now.

First of all, all of you are here at this Saxophone Club Young Democrats event at ticket prices of \$25 to \$100. It's my favorite group. We started this when I was running for President - the Saxophone Club. A young American with a great idea started it and we tried to promote it all over the country. (Applause.) If we can get the other party to stop trying to kill campaign finance reform in the Senate we could all raise all of our money this way and be on an equal footing and we'd see who had more bodies, more citizens, more people, more voices and better ideas. And I hope you'll help us do it. (Applause.)

Secondly, we have a great challenge before us long-term that will affect the youngest people in this audience I'm convinced in your lifetime if we don't do something about it. And that is confronting the challenge to the **change** in our **climate** by the warming that is going on all across the Earth as we put more greenhouse gases into the atmosphere. Now, what the challenge is, is for us to figure out a way to do less of it without throwing people out of work, without diminishing incomes, without cutting off future growth. Can we do it? You bet we can.

Don't let anybody tell you that we can't improve our environment and still grow the economy. Two-thirds -- let me just give you one example -- two-thirds of all the heat generated by electric power plants is wasted -- two-thirds. Of all the inputs of coal and oil, only one-third of it goes to actually giving you electricity you can use for heating or cooling or lighting or for manufacturing purposes. What happened to the other two-thirds? If we go get it back, we'll be putting less into the atmosphere that warms the atmosphere and compromises the future of our children and grandchildren.

So I ask you to help me in that. The young people of America have been the strongest environmentalists, and yet, we owe it to you to give you a strong economy. We have to find a way to do both. I know we can and I need your help to do it and to send a message loud and clear: We do not want to have to make a choice in the 21st century and we refuse to do so. We can clean our environment and grow our economy and we're determined to do it. (Applause.)

The third thing that I would ask you to do in thinking about the future is to support our efforts to continue to lead the world toward peace and freedom and prosperity. I know most Americans believe on a daily basis that what happens halfway around the world doesn't affect them -- but it does. Not just in the **climate changes**, which affect us all no matter where the problems occur, but in other ways as well.

If we had not stepped in to stop the slaughter in Bosnia, eventually the United States would have been pulled in to a wider, deeper conflict in Europe, and more American lives would have been put at risk. If we had not stepped in to try to restore democracy in Haiti, eventually we would have had much more disruption on our

own shores and much more human destruction on the island of Haiti that we would have been forced to come to grips with.

If we don't continue to try to reach out and trade on honorable and fair terms to sell more American products in Latin America and Asia and Africa and the other growing countries of the world, not only will we see other countries with weaker economies and weaker democracies, we won't grow as wealthy as we would grow. Because we only have 4 percent of the people in the world, we have to sell to the other 96 percent. These things matter.

It matters that we're banning chemical weapons. It matters that we're trying to do something about land mines. It matters that we're trying to stop nuclear testing for all times. It matters that we're trying to make this a safer, freer, more prosperous world. And someone has to take the initiative.

So all of you who are young -- you look around here at the students who are here who come from all these different heritages and backgrounds -- you should want your country out there working for peace in the Middle East, peace in Northern Ireland, to continue to make the peace in Bosnia hold. You should want your country out there working to reduce the nuclear threat, to fight terrorism, and to take the lead in global efforts to grow the economy and preserve the environment. And you have to develop this attitude. Just like you see people from all over the world in Philadelphia -- that is our meal ticket to the future, if we relate to the rest of the world in a constructive and friendly and strong way.

So I ask you -- say we want America to lead the world, not to follow, and we will support that. That's part of the new Democratic Party we're trying to build. (Applause.)

Finally, and most importantly, let me come back to where I began. The biggest challenge we face is to embrace our diversity, celebrate our diversity, respect our differences -- our racial, our ethnic, our religious, all our other differences -- and say that still the most important thing is we can find common ground as one America.

When you look at the time I spend as your President, trying to stop people from Bosnia to Burundi and Rwanda, from the Middle East to Northern Ireland -- people who look as different as daylight and dark, united only by one thing -- they are caught in the grips of ethnic or religious or racial hatred, and it dominates their lives and destroys their countries -- we can stand as a shining alternative to that.

One of our school districts, the one just across the Potomac River from Washington -- Fairfax County -- now has students in the public school district from 182 different countries, speaking over 100 different languages. One school district. Many -- I'll bet you the number is not much smaller in Philadelphia. I know it's not in New York or Chicago or Los Angeles. The point is we are really becoming the world's first truly multiracial, multiethnic democracy in the sense that here, we all, more or less, live and work together. And yet we know that there continue to be problems that divide us.

That's why I had this national advisory board on race, and I asked the American people to join me in trying to deal with our racial differences. And we know that not everybody has an equal economic and educational opportunity. We know there are still some neighborhoods where all this economic recovery has not reached. We know there are still some schools that are not doing the job they should be doing for their children. We know, in other words, that our ideal of liberty, which was forged in Philadelphia around the Liberty Bell so long ago, is still not real for everyone.

This country will always be a work in progress. But as we move into a global information age, where not only the **changes** in the economy and technology, but the **changes** in how we live and patterns of immigration have brought us closer to others and to each other than ever before, the great test of our time and your future will be whether we can learn to live together, both respecting our differences and saying what unites us in the end is more important -- the shared values, the shared devotion to the Constitution and the Bill of Rights, the belief that everybody has a place in this country if they work hard, obey the law, and show up every day as good citizens.

That's what I want you to really fight for, because if you do it, believe me, the best days of this country are still ahead, and the Democratic Party that came into power in the United States by a vote of the American people in 1993 and **changed** the course of this country to bring us together and move us forward, will have a proud claim to its contribution to that for the 21st century, thanks to you.

Thank you. God bless you, and good night. Thank you.
(Applause.)

END

8:06 P.M. EDT

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White House Press Release

REMARKS BY THE PRESIDENT AT DNC RECEPTION

THE WHITE HOUSE

Office of the Press Secretary
(Philadelphia, Pennsylvania)

For Immediate Release

October 8, 1997

REMARKS BY THE PRESIDENT AT DNC RECEPTION

The Kushner Companies
Florham Park, New Jersey

THE PRESIDENT: Thank you very much. Thank you, Jim, and thank you, ladies and gentlemen, for being here for him and for our Party and for what we're fighting for.

I want to thank my longtime friend, Alan Solomont, for being here and for being the Finance Chair of our Democratic Party -- yes, you can clap for him, that's a nice -- why don't you do that? He has a thankless job. (Laughter.) When he calls people, you know -- even when he calls me, I think he's going to call and hit me up for a contribution any day. (Laughter.)

But most of all I'd like to thank the Kushners, Charles and Seryl, and thank you, Rae Kushner; and thank you Mrs. Felsen. And I thank the children who gave me the shofar. Joshua and Nicole, Dara and Miryam, thank you. And I'm glad we've got a long-distance connection to Israel. In a way, I always have a long-distance connection to Israel. (Laughter.) President Weizman was just here and we had a great visit. And of course Mr. Arafat and Prime Minister Netanyahu had a visit of their own, and we're hopeful that the peace process is back on track and so is the -- that the security process is back on track, and I know all of you hope that, as well. But we're working hard on it.

Let me just briefly say that I came to New Jersey today for Jim McGreevey for what I think is a very good reason -- it is entirely positive, there's nothing negative about it --and that is that in the next several years, for the foreseeable future in the 21st century, who happens to be governor of any state and what decisions they make will have a bigger impact on how people live than in the previous 20 years, as an inevitable outgrowth of the

way the world is **changing**, the way we **change** how we govern ourselves, how we make decisions, and how we go forward. And I think it's very important.

Let me say that a lot of you have helped me a lot over the last several years, and for that I am very grateful. I think we are much closer than we were five years ago to realizing the vision that I started out with when I announced for governor -- for President, and I was a governor. I'm going to talk about that in a moment.

That is, I think we're closer to the time when every American has a chance to live out the American Dream if he or she will work for it. I think we're closer to the time when our country has articulated a vision that will maintain our world leadership for peace and freedom and prosperity and security. And I think we're closer to a time, although we still have a lot of challenges, in which we can reach across all the racial, the ethnic, the cultural, the religious lines that divide us, and stand in stark contrast to what is going on in so much of the world today and to the terrible story that Charles told us that had such a wonderful ending -- of his family -- by being a country that really can embrace all this diversity, celebrate it, respect it, honor it, and say we're still bound together as one America. And I feel very good about that.

There is still a lot to do. There is a lot going on in Washington. I'm still trying for the fifth year in a row to pass campaign finance reform. And the opponents thought they had killed it yesterday, but we've got a little life left in us up there. And if you can influence anybody, I hope you will -- although I want to say that Senator Torricelli and Senator Lautenberg are part of the unanimous vote in our caucus for the McCain-Feingold bill and for campaign finance reform, which I very much appreciate.

We're dealing with the trade issue and the question of the extension of the President's authority to conduct trade negotiations with other countries and then have the Congress vote up or down on the bill, which is essential for me to make those agreements and to continue to expand trade. Otherwise, no one wants to negotiate with 535 people; they want to negotiate with one person.

And there's a lot of debate and it's a healthy thing. Because what we really want in the global economy is more involvement in the world economy in a way that benefits America, but also having our communities make the appropriate response for people who have or will suffer as a result of dislocations in that economy. We owe that to them. That's what we're trying to achieve.

We had a fascinating conference this week on **climate change**. I'm convinced the **climate** is warming at an alarming rate and that we have to do the responsible thing to lower our emissions of greenhouse gases into the atmosphere. But it's a difficult problem for a democracy to address because it's not on anybody's back right now. It's something that's out there ahead of us. But if we do a little bit now we can avoid disastrous consequences and much more burdensome actions later.

Hillary and I are going to have the first White House

Conference on Child Care at the end of the month. And that's a huge problem. We have more people in the work force than ever before, a higher percentage of people in the work force than ever before. But the most important job any of us has is our job to raise our children well. I know you believe that. I had more people -- we just all took our picture -- I had a higher percentage of people in the line that I just stood in ask me about my family and my daughter than any photograph line I have ever stood in in my whole life. And that's a great tribute to you and your values. And I thank you for that.

But this child care issue is really about whether all these people who have to work who also have children, can succeed at work and at home. And we shouldn't have our country making a choice there. We don't want to crater to the economy, but our most important job is to raise our children well.

So we're full of all these challenges, and it's exciting. But we have to -- when I took office, we had this huge deficit and basically a yesterday's government. And I made a commitment, as I've said many times, to policies that favored the future over the past, **change** over the status quo, unity over division, and things that benefit everybody instead of just a few people. And that required **changes**, so we down-sized the government, we shared more responsibility with state and local government and the private sector. And state governments, anyway, have primary responsibility for things like auto insurance rates and, constitutionally, education.

So I could go out here and talk until I'm blue in the face about the importance of embracing national education standards. The United States is the only great country in the world that has no national standards of academic achievement that guarantees international capacity -- in terms of operating the economy -- that everybody has to follow. We're not talking about federal government standards. We're not talking about imposing anything on anybody. It's totally voluntary. But that means that every governor may will decide whether to participate in the standards movement.

So the decisions made by the Governor of New Jersey in the next 20 years, almost certainly, will range over a wider scope and have a deeper impact on the lives of the people of New Jersey than in the previous 20 years. And if my vision is going to be fulfilled, we have to have a partnership that really works: to grow the economy, to fight crime, to preserve the environment, to deal with social problems, and most importantly, to make sure that every child in this country has a chance to live out his or her dreams with a decent education.

That's why I showed up here today -- because this young man actually has an idea of what he will do if he gets elected. He's not running for Governor because he wants to live in that magnificent old house. New Jersey I think has the oldest and perhaps the most beautiful old governor's mansion in the country. He actually has an idea of what he wants to do, and I think it's the right idea.

And I hope you'll help me achieve it. Thank you.
Bless you. (Applause.)

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White House Press Release

REMARKS BY THE PRESIDENT TO WEATHER FORECASTERS

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 1, 1997

REMARKS BY THE PRESIDENT TO WEATHER FORECASTERS

East Room

2:10 P.M. EDT

THE PRESIDENT: Thank you very much, Mr. Vice President. Welcome to the White House on a cool, overcast day, about 60 degrees. (Laughter.) How am I doing? I'm auditioning. (Laughter.) You know, I have to leave this job after three years, and I don't know what I am going to do. And I am too young to retire, and I'm used to delivering bad news. (Laughter and applause.)

Let me say, we are delighted to have you here in the White House. I thank you for coming and for devoting this much of your time to the briefings and to giving us a chance to meet with you on what is a profoundly important issue -- and one, frankly, that you, just in the way you comment on the events that you cover, may have a real effect on the American people.

People look to you to figure out what they're going to wear in the morning and whether something really bad is going to happen. If so, they expect a timely warning and advice. So you not only get watched more than anyone else on the television news programs to find out about the weather, sometimes you are actually saving lives and always performing a public service. And we thank you for that.

I'd also like to thank your outstanding partners at NOAA and the National Weather Service. I'm very proud of them and what they have done. In the past decade alone, they have doubled the amount of warning time we have to prepare for tornadoes, quadrupled

the time for flash floods. And those are just two of the ways that our people here, with NOAA and the National Weather Service, and their research and technology have improved our nation's safety and planning.

You know, I spent most of my time over the last four and a half years telling the American people that we had to prepare for the 21st century, with all of its new opportunities and all of its new challenges if we want to keep the American Dream alive for everyone who will work for it and maintain our leadership for peace and freedom, and keep our country coming together with all of its diversity and clash of interests, whether it's racial and ethnic or religious or whatever. And we have really focused on trying to just get the country to think about how we have to build these bridges to the future, how the future will be as we want it to be.

Clearly, to me, this **climate change** issue is one of the principal challenges that we face -- a challenge that, if we meet it, will ensure the continued vitality of our small planet and the continued success of the United States throughout another hundred years; a challenge that should we fail to meet it, could imperil the lives of our children and, if not our children, our grandchildren on this planet -- how they live, how they relate to others and whether they are able to continue to pursue their dreams in the way that our generation has.

In trying to come to grips with this **climate change** issue, and then talk to the American people about it, there are four principles that have guided me and I'd like to go over them very briefly.

First, I am convinced that the science is solid, saying the that **climate** is warming at a more rapid rate, that this is due in large measure to a dramatic increase in the volume of greenhouse gases going into the atmosphere, and that nobody knows exactly what the consequences are going to be or when they're going to be manifest, but, on balance, it won't be all that long and they won't be good. That is sort of a summary of what the prevailing scientific opinion is.

I know there are those in a distinct minority who have a different view, but I am persuaded, having carefully looked at all this, that the vast majority opinion is, in fact, in all probability, accurate. And that, therefore, we would be irresponsible not to try to come to grips with the results of these findings.

Now, unlike a lot of weather forecasts, there is something we can do about this weather forecast because we've got enough lead time -- at least we believe we do. So I think that's very important.

Now, the second thing I want to say is that if we know that the majority of our scientists have this view, and they say, we don't know precisely what the bad effects of global **climate change** are or exactly how fast the **climate** will **change**; that means we don't know how severe the droughts and the floods of the future

will be in a particular region, but we know that it won't be long and the consequences won't be good -- if we know that, then it seems to me it is incumbent on the United States, when the nations of the world meet in December in Kyoto, Japan, to discuss **climate change**, that we be prepared to commit ourselves to realistic and binding limits on our own emissions of greenhouse gases.

With 4 percent of the world's population, we enjoy over 20 percent of the world's wealth. That also explains why we produce over 20 percent of the world's greenhouse gases. Those two things are related. Now, I believe that we have a responsibility to cut back. First, because the world is looking to us for leadership, and, secondly, because we won't have any influence in getting anybody else to cut back if we don't.

To give you an example of how significant that is, we've got all these other countries that are growing that have far larger populations than we do. We estimate that the developing countries of Asia and Latin America will grow at roughly three times the rate of the United States, Japan, Europe and Canada in the next 20 years. If that is true, we'll have to work very hard to maintain our 20 percent share of wealth. But even if we do maintain our standard of living and grow our economy, we won't be for long the world's largest producer of greenhouse gases. So if we expect others to show restraint, we must do the same and we must lead the way.

The third principle is that we must embrace solutions that allow us to continue to grow the economy while we honor our global responsibilities and our responsibilities to our own children. We have worked too hard here, from the first day, to revitalize the American economy to jeopardize our progress now. And, furthermore, we cannot make **changes** that will leave whole chunks of that economy out in the cold without having a response to them.

So the question is: Can we emphasize flexible, market-based approaches? Can we embrace technology to make energy production more efficient and put fewer greenhouse gases into the atmosphere? Is there, in short, a way out of astronomical taxes or heavy-handed governmental regulation that will permit us to gradually bring down our greenhouse gas production and still grow the economy and enjoy what we've been enjoying here for the last four and a half years? I believe the answer is, yes.

Now, let me just give you one example. Typically, about two-thirds of the energy produced by power plants is absolutely lost in the form of wasted heat, billowing out in clouds of steam or pumped out into rivers. A company called Trigen has doubled the efficiency of power plants in Philadelphia, Chicago and Tulsa, simply by capturing the waste heat and turning it into steam to warm office buildings a fuel factories, and in the process, by definition, dramatically cutting the volume of greenhouse gases going into the atmosphere to do the same amount of work in all those places.

That is just one small example. The Vice President and I have been working with the Big Three automakers, our energy labs, and the UAW for years now on a new generation of vehicles that we hope will get triple the gas mileage of a typical car. Perhaps the design

will even include a blend of gasoline and electricity in a way that avoids the worst problems of electric cars -- that is, they don't go very fast, and you have to charge them up too often -- but gets the benefit of the energy conservation elements of the cars.

All these things are out there, and we found over time -- how many times have you seen America rise to a challenge? We didn't know how we were going to get to the Moon when President Kennedy said we were going there, but we got there because we put our resource behind it, and we started with what we knew, and then, in the process of exploring the outer limits of what we knew, we found a lot of things we didn't know, and we were able to put them to work toward a common mission. This is a scientific mission even more important in its implications than our race to the Moon in the 1960s. And yet we know a very great deal about how to do it without crippling the American economy.

Finally, because of what I said earlier, because we represent only 4 percent of the world's population, and because the developing countries of Asia, Latin America and Africa, increasingly, are going to grow at three times the rate of the developed countries, I believe we have to ask all nations, both industrialized and developing, to be a part of this process.

I'm happy that other countries are developing. It's actually good for our economy when countries move from the ranks of the very poor countries into middle income countries, because then they can do more business with us. So it helps us when other people lift their children out of poverty and have a brighter future. It also means that they, too, however, become bigger energy users, and it imposes on us even heavier responsibilities, all of us, to **change** our patterns of energy use so that all of us can grow our economies without contributing to this greenhouse gas problem.

But because of the growth rates in the future, both the population and economic growth and the associated energy use, we could have a great deal of effort by Europe, by the United States, by Canada, by Japan, and still be in very difficult straits on this issue within 40 years, unless we get real solid support from the developing countries. Should we make allowances for their growth? Of course, we should; but in some way, in a fair and appropriate way they should also participate in this agreement. Now, if that doesn't happen, then their emissions, the emissions of the developing world will exceed the emissions of the developed world by about 2035.

Now, those are the things I want to do. I want to try to get America to accept the fact that the majority scientific opinion, the overwhelming majority scientific opinion is accurate. I want us to make a commitment, therefore, to go to Kyoto with binding targets. I want us to implement our commitment in a way that continues to grow the economy in a different way, but still maintains our robust entrepreneurial economy. And I want to find a fair way for the developing countries to participate. Those are my four objectives.

On Monday, we're going to try to take another step toward putting these principles into effect. We invited noted economists and industrial leaders, state and local governmental leaders, and leaders from the environmental and scientific communities here to

the White House Conference for a White House Conference on **Climate Change**. Our goals are simple. We want the American people to understand the importance of the challenge and to allow outside experts to help inform the policy process so we'll make the best decisions.

Now, I'd like to ask you to think about this in terms of the work you do. When we had the terrible floods in the Dakotas and Minnesota not very long ago, a young congressman from South Dakota was in my office -- happened to be a member of the other party -- I don't believe there's a partisan aspect to the weather, (laughter) -- although some days it seems stormier than others around here. (Laughter.) And this young man said -- I was talking about **climate change**, and he said, Mr. President, we've had 300 year floods in the last nine years. He said, does that mean I get to go 500 years without one? (Laughter.) And you'd be amazed how many people just sort of from their anecdotal, personal experiences have this sense that there is more instability in the **climate** than there used to be, and understand that it has something to do with the **changes** in the relationship of where we live and whatever little patch of land we occupy and this larger globe and the atmosphere which envelopes it.

So what I hope will happen at the **Climate Change** Conference I also hope has happened a little here today. What I want to do is to deal with the central political problem here -- and I don't mean political in terms of party politics; I mean political in terms of how the body politic, how our society responds to this -- if we have a problem that is a clear and present danger that we can see and feel, we get right on it. How did we get to the Moon? Because the Russians beat us into space, so we knew how to keep score, we would beat them to the Moon. And if we didn't, since there was a Cold War and nuclear weapons, goodness knows what the consequences would be.

Now, it is much harder when you have no manifestation of this problem unless you happen to live in a place which has experienced an unusual number of or intensity of weather aberrations. And, even so, they go away and then you can start thinking about something else. It is difficult when you are not quite sure how to keep score, and you don't know who the enemy is.

All of you live with the weather as a fact of life, and a pre-condition for life on our planet in a way that nearly no one else in the world does. The men and women of America who tune in and listen to you talk about the weather and rely upon you are either enlightened or entertained or disappointed by whatever it is you say and however you say it. Most of them are sort of like Sergeant Joe Friday -- they just want the facts.

This is a case where people need the facts and the context. Where if all you do is just try to get people to start thinking about this -- you might not even know how you feel about it, or exactly what you think should be done. That's okay. But I would ask you to think about whether you should ask people to think about this.

Because our country always gets it right. We always get it right once we focus on it. But right now, while the scientists see the train coming through the tunnel, most Americans haven't heard

the whistle blowing. They don't sense that it's out there as a big issue. And I really believe, as President, one of my most important jobs is to tell the America people what the big issues are that we have to deal with. If we understand what the issues are, if we start with a certain set of principles, we nearly always come to the right place.

That's what we did -- we passed the first balanced budget in a generation earlier this year, partly because we had already gotten the deficit down by over 85 percent, but partly because we got people in both parties to agree that there's a goal -- we're going to balance the budget -- and then the Republicans said, here are the things we want in the balanced budget plan, and the Democrats said, here are the things we want, and we found out a way to reconcile them, and still do the most important thing, which was to balance the budget, and we did it.

That's how we have to deal with this **climate change** issue. We have to say, there's a challenge out there, we have to respond to it, here's the principles we want in our response. And then we have to get after it. But we can't do it until we build the awareness of the American people.

So I hope you will think about how your work has been affected by what we believe is going on in the **climate**. And, again, I don't ask for you to advocate or do anything outside whatever your own convictions or parameters of permissible speech are, but I do think it's very important, since you have more influence than anybody does on how the American people think about this, that at least you know what you believe and how you think we should proceed.

Thank you for being here, and thank you for your leadership.
(Applause.)

The first time I ever really thought about this issue in this way was when I was reading Al Gore's book -- (laughter) -- which preceded our partnership. Sometimes he thinks all the great things he did preceded our partnership. (Laughter.) I think most of the greatest things he's done occurred after our partnership started. (Laughter.) I remember so well -- one of the first times -- we have lunch once a week, and I remember one week we were having lunch very early in this term -- this is over four years ago. And he said, just in case you missed it in my book, here's the chart -- (laughter) -- of how much we are increasing the emission of greenhouse gases into the atmosphere, and here's 10,000 years and here's the last 50, like that.

So I can now pass Al Gore's **climate** test -- (laughter) -- and I'm very proud of that. I think we should be proud that we have a Vice President who not only cares about this issue, but knows enough about it to have an opinion worthy of the respect of any scientist in the world.

Ladies and gentlemen, the Vice President.

END

2:30 P.M. EDT

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White House Press Release

REMARKS BY THE PRESIDENT TO THE 52ND SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release

September 22, 1997

REMARKS BY THE PRESIDENT TO THE 52ND SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

United Nations
New York, New York

10:50 A.M. EDT

THE PRESIDENT: Mr. President, Mr. Secretary General, distinguished guests: Five years ago, when I first addressed this Assembly, the Cold War had only just ended and the transition to a new era was beginning. Now, together, we are making that historic transition.

Behind us we leave a century full of humanity's capacity for the worst and its genius for the best. Before us, at the dawn of a new millennium, we can envision a new era that escapes the 20th century's darkest moments, fulfills its most brilliant possibilities, and crosses frontiers yet unimagined.

We are off to a promising start. For the first time in history, more than half the people represented in this Assembly freely choose their own governments. Free markets are growing, spreading individual opportunity and national well-being. Early in the 21st century, more than 20 of this Assembly's members, home to half the Earth's population, will lift themselves from the ranks of low-income nations.

Powerful forces are bringing us closer together, profoundly **changing** the way we work and live and relate to each other. Every day millions of our citizens on every continent use laptops and satellites to send information, products and money across the planet in seconds. Bit by bit, the information age is chipping away at the barriers -- economic, political, and social

-- the once kept people locked in and ideas locked out. Science is unraveling mysteries in the tiniest of human genes and the vast cosmos.

Never in the course of human history have we had a greater opportunity to make our people healthier and wiser, to protect our planet from decay and abuse, to reap the benefits of free markets without abandoning the social contract and its concern for the common good. Yet today's possibilities are not tomorrow's guarantees. We have work to do.

The forces of **global** integration are a great tide, inexorably wearing away the established order of things. But we must decide what will be left in its wake. People fear **change** when they feel its burdens but not its benefits. They are susceptible to misguided protectionism, to the poisoned appeals of extreme nationalism, and ethnic, racial, and religious hatred. New **global** environmental challenges require us to find ways to work together without damaging legitimate aspirations for progress. We're all vulnerable to the reckless acts of rogue states and to an unholy axis of terrorists, drug traffickers, and international criminals. These 21st century predators feed on the very free flow of information and ideas and people we cherish. They abuse the vast power of technology to build black markets for weapons, to compromise law enforcement with huge bribes of illicit cash, to launder money with the keystroke of a computer. These forces are our enemies. We must face them together because no one can defeat them alone.

To seize the opportunities and move against the threats of this new **global** era, we need a new strategy of security. Over the past five years, nations have begun to put that strategy in place through a new network of institutions and arrangements with distinct missions, but a common purpose -- to secure and strengthen the gains of democracy and free markets while turning back their enemies.

We see this strategy taking place on every continent -- expanded military alliances like NATO, its Partnership for Peace, its partnerships with a democratic Russia and a democratic Ukraine; free trade arrangements like the WTO and the **Global** Information Technology Agreement; and the move toward free trade areas by nations in the Americas, the Asia Pacific region, and elsewhere around the world; strong arms control regimes like the Chemical Weapons Convention and the Nonproliferation Treaty; multinational coalitions with zero tolerance for terrorism, corruption, crime, and drug trafficking; binding international commitments to protect the environment and safeguard human rights.

Through this web of institutions and arrangements, nations are now setting the international ground rules for the 21st century, laying a foundation for security and prosperity for those who live within them, while isolating those who challenge them from the outside. This system will develop and endure only if those who follow the rules of peace and freedom fully reap their rewards. Only then will our people believe that they have a stake in supporting and shaping the emerging international system.

The United Nations must play a leading role in this effort, filling in the fault lines of the new **global** era. The core missions it has pursued during its first half-century will be just as relevant during the next half-century: the pursuit of peace and security, promoting human rights, and moving people from poverty to dignity and prosperity through sustainable development.

Conceived in the cauldron of war, the United Nations' first task must remain the pursuit of peace and security. For 50 years the U.N. has helped prevent world war and nuclear holocaust. Unfortunately, conflicts between nations and within nations had endured. From 1945 until today, they have cost 20 million lives. Just since the end of the Cold War, each year there have been more than 30 armed conflicts in which more than a thousand people have lost their lives, including, of course, a quarter of a million killed in the former Yugoslavia and more than half a million in Rwanda.

Millions of personal tragedies the world over are a warning that we dare not be complacent or indifferent. Trouble in a far corner can become a plague on everyone's house.

People the world over cheered the hopeful developments in Northern Ireland, grieved over the innocent loss of life and the stalling of the peace process in the Middle East, and longed for a resolution of the differences on the Korean Peninsula, or between Greece and Turkey, or between the great nations of India and Pakistan as they celebrate the 50th anniversaries of their birth.

The United Nations continues to keep many nations away from bloodshed: in El Salvador and Mozambique, in Haiti and Namibia, in Cyprus and in Bosnia, where so much remains to be done but can still be done because the bloodshed has ended.

The record of service of the United Nations has left a legacy of sacrifice. Just last week, we lost some of our finest sons and daughters in a crash of a U.N. helicopter in Bosnia. Five were Americans, five were Germans, one Polish and one British; all citizens of the world we are trying to make, each a selfless servant of peace. And the world is poorer for their passing.

At this very moment, the United Nations is keeping the peace in 16 countries, often in partnership with regional organizations like NATO, the OAS, ASEAN and ECOWAS, avoiding wider conflicts and even greater suffering. Our shared commitment to more realistic peacekeeping training for U.N. troops, a stronger role for civilian police, better integration between military and civilian agencies -- all these will help the United Nations to meet these missions in the years ahead.

At the same time, we must improve the U.N.'s capabilities after a conflict ends to help peace become self-sustaining. The U.N. cannot build nations, but it can help nations to build themselves by fostering legitimate institutions of government, monitoring elections and laying a strong foundation for economic reconstruction.

This week, the Security Council will hold an unprecedented ministerial meeting on African security, which our Secretary of State is proud to chair, and which President Mugabe, chairman of the Organization of African Unity, will address. It will highlight the role the United Nations can and should play in preventing conflict on a continent where amazing progress toward democracy and development is occurring alongside still too much

discord, disease and distress.

In the 21st century, our security will be challenged increasingly by interconnected groups that traffic in terror, organized crime and drug smuggling. Already these international crime and drug syndicates drain up to \$750 billion a year from legitimate economies. That sum exceeds the combined GNP of more than half the nations in this room. These groups threaten to undermine confidence in fragile new democracies and market economies that so many of you are working so hard to see endure.

Two years ago I called upon all the members of this Assembly to join in the fight against these forces. I applaud the U.N.'s recent resolution calling on its members to join the major international antiterrorism conventions, making clear the emerging international consensus that terrorism is always a crime and never a justifiable political act. As more countries sign on, terrorists will have fewer places to run or hide.

I also applaud the steps that members are taking to implement the declaration on crime and public security that the United States proposed two years ago, calling for increased cooperation to strengthen every citizen's right to basic safety, through cooperation on extradition and asset forfeiture, shutting down grey markets for guns and false documents, attacking corruption and bringing higher standards to law enforcement in new democracies.

The spread of these **global** criminal syndicates also has made all the more urgent our common quest to eliminate weapons of mass destruction. We cannot allow them to fall or to remain in the wrong hands. Here, too, the United Nations must lead, and it has, from UNSCOM in Iraq to the International Atomic Energy Agency, now the most expansive **global** system ever devised to police arms control agreements.

When we met here last year, I was honored to be the first of 146 leaders to sign the Comprehensive Test Ban Treaty, our commitment to end all nuclear tests for all time -- the longest-sought, hardest-fought prize in the history of arms control. It will help to prevent the nuclear powers from developing more advanced and more dangerous weapons. It will limit the possibilities for other states to acquire such devices. I am pleased to announce that today I am sending this crucial treaty to the United States Senate for ratification. Our common goal should be to enter the CTBT into force as soon as possible, and I ask for all of you to support that goal.

The United Nations' second core mission must be to defend and extend universal human rights and to help democracy's remarkable gains endure. Fifty years ago the U.N.'s Universal Declaration of Human Rights stated the international community's conviction that people everywhere have the right to be treated with dignity, to give voice to their opinions, to choose their leaders; that these rights are universal -- not American rights, not Western rights, not rights for the developed world only, but rights inherent in the humanity of people everywhere.

Over the past decade, these rights have become a reality for more people than ever -- from Asia to Africa, from Europe to the Americas. In a world that links rich and poor, North and South, city and countryside, in an electronic network of shared images in real time, the more these universal rights

take hold, the more people who do not enjoy them will demand them.

Armed with photocopiers and fax machines, e-mail and the Internet, supported by an increasingly important community of non-governmental organizations. They will make their demands known, spreading the spirit of freedom, which as the history of the last 10 years has shown us, ultimately will prevail.

The United Nations must be prepared to respond, not only by setting standards but by implementing them. To deter abuses, we should strengthen the U.N.'s field operations and early warning systems. To strengthen democratic institutions, the best guarantors of human rights, we must pursue programs to help new legal, parliamentary and electoral institutions get off the ground. To punish those responsible for crimes against humanity and to promote justice so that peace endures, we must maintain our strong support for the U.N.'s war crime tribunals and truth commissions. And before the century ends, we should establish a permanent international court to prosecute the most serious violations of humanitarian law.

The United States welcomes the Secretary General's efforts to strengthen the role of human rights within the U.N. system and his splendid choice of Mary Robinson as the new High Commissioner. We will work hard to make sure that she has the support she needs to carry out her mandate.

Finally, the United Nations has a special responsibility to make sure that as the **global** economy creates greater wealth, it does not produce growing disparities between the haves and have-nots, or threaten the **global** environment -- our common home.

Progress is not yet everyone's partner. More than half the world's people are two days' walk from a telephone, literally disconnected from the **global** economy. Tens of millions lack the education, the training, the skills they need to make the most of their God-given abilities.

The men and women of the United Nations have expertise across the entire range of humanitarian and development activities. Every day they are making a difference. We see it in nourished bodies of once starving children, in the full lives of those immunized against disease, in the bright eyes of children exposed to education through the rich storehouse of human knowledge, in refugees cared for and returned to their homes, in the health of rivers and lakes restored.

The United Nations must focus even more on shifting resources from hand-outs to hand-ups, on giving people the tools they need to make the most of their own destinies, spreading ideas in education and technology, the true wealth of nations, is the best way to give people a chance to succeed.

And the United Nations must continue to lead in ensuring that today's progress does not come at tomorrow's expense. When the nations of the world gather again next December in Kyoto from the U.N. **Climate Change** Conference, all of us, developed and developing nations, must seize the opportunity to turn back the clock on greenhouse gas emissions so that we can leave a healthy planet to our children.

In these efforts, the U.N. no longer can and no

longer need go it alone. Innovative partnerships with the private sector, NGOs, and the international financial institutions can leverage its effectiveness many times over. Last week, a truly visionary American, Ted Turner, made a remarkable donation to strengthen the U.N.'s development and humanitarian programs. His gesture highlights the potential for partnership between the U.N. and the private sector in contributions of time, resources and expertise. And I hope more will follow his lead.

In this area and others, the Secretary General is aggressively pursuing the most far-reaching reform of the United Nations in its history -- not to make the U.N. smaller as an end in itself, but to make it better. The United States strongly supports his leadership. We should pass the Secretary General's reform agenda this session.

On every previous occasion I have addressed this assembly, the issue of our country's dues has brought the commitment of the United States to the United Nations into question. The United States was a founder of the U.N. We are proud to be its host. We believe in its ideals. We continue to be, as we have been, its largest contributor. We are committed to seeing the United Nations succeed in the 21st century.

This year, for the first time since I have been President, we have an opportunity to put the questions of debts and dues behind us once and for all, and to put the United Nations on a sounder financial footing for the future. I have made it a priority to work with our Congress on comprehensive legislation that would allow us to pay off the bulk of our arrears and assure full financing of America's assessment in the years ahead. Our Congress' actions to solve this problems reflects a strong bipartisan commitment to the United Nations and to America's role within it.

At the same time, we look to member states to adopt a more equitable scale of assessment. Let me say that we also strongly support expanding the Security Council to give more countries a voice in the most important work of the U.N. In more equitably sharing responsibility for its successes, we can make the U.N. stronger and more democratic than it is today. I ask the General Assembly to act on these proposals this year so that we can move forward together.

At the dawn of a new century, so full of hope, but not free of peril, more than ever we need a United Nations where people of reason can work through shared problems and take action to combat them, where nations of goodwill can join in the struggle for freedom and prosperity, where we can shape a future of peace and progress and the preservation of our planet.

We have the knowledge, we have the intelligence, we have the energy, we have the resources for the work before us. We are building the necessary networks of cooperation. The great question remaining is whether we have the vision and the heart necessary to imagine a future that is different from the past, necessary to free ourselves from destructive patterns of relations with each other and within our own nations and live a future that is different.

A new century and a new millennium is upon us. We

are literally present at the future, and it is the great gift it
is our obligation to leave our children.

Thank you very much. (Applause.)

END

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White House Press Release

REMARKS BY THE PRESIDENT TO THE DEMOCRATIC BUSINESS COUNCIL

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 7, 1997

REMARKS BY THE PRESIDENT TO THE DEMOCRATIC BUSINESS COUNCIL

The Mayflower Hotel

Washington, D.C.

8:35 P.M. EDT

THE PRESIDENT: Thank you very much. Governor Romer, Tom, thank you. Thank you, Alan Solomont. I want to thank all the members of the administration who came to be with us tonight, and I thank all of you for your presence here and for your support.

I was -- a little insight on presidential decision-making -- here are the notes my staff gave me. Here are the notes I made at dinner. (Laughter.) You can have either speech -- which one do you like? (Laughter.) Two, two! (Applause.)

I'd like to talk to you a little bit about how I think you fit into all this, and what we've been trying to do and where we're going. When I ran for President, first, beginning in 1991, I was obsessed with the idea that we had to prepare this country for a new century and a completely different economy, and a whole different way of living and relating to each other and the rest of the world, and that we didn't have any strategy to do it. And I believed that if we were going to succeed we had to create a country where, as you've heard me say a thousand times, there was opportunity for everyone responsible enough to work for it, where we were coming together instead of being driven apart, and where we maintained our world leadership for peace and prosperity and freedom.

I thought to do that it would be necessary to save progressive government and to save the progressive political party, to be vital forces as a part of that future. I thought it was necessary to break through a lot of these dichotomies that seem to me to be false -- that you were either for growing the economy or preserving the environment

-- if you have to choose we're in trouble. That you couldn't be pro-business and pro-labor -- if you have to choose, I think in the end the country loses. That you couldn't be tough on crime where it was appropriate and still be smart and compassionate where it made sense and where it was the right thing to do. That you couldn't be for respecting our diversity and still believe the most important thing is that we wind up being one America. I just think a lot of these dichotomies that have always been set up for us to argue about and take sides over are choices that we would never make in our own lives, and that we should not make in the life of our nation.

And you heard Tom talking about a little of it and Roy talking about a little of it. It seemed to me that the right thing to do for our country also in the end would wind up being the right thing to do for the progressive cause in America and for the Democratic Party, the progressive party in America. We almost had to save ourselves from a legacy in some ways that was not entirely of the Democrats own making. It was obvious to me that if we didn't do something about the deficit there would be no more progressives in America because the middle class would always be completely insecure.

We had a meeting today at the White House and my distinguished Treasury Secretary from New York City, Mr. Rubin, was making a comment about how people viewed a certain economic situation. And Erskine Bowles said -- did I say North Carolina? I meant New York. Erskine Bowles is from North Carolina. So Erskine Bowles says, "Mr. President, tell Bob that that's like the farmer from Louisiana with three hogs." And Bob Rubin doesn't know many farmers from Louisiana. (Laughter.)

So I told him -- some of you may have heard me tell this story before, but when Huey Long was Governor of Louisiana in the middle of the Depression, he was out on a country crossroads one day making a speech to all of these farmers. And he was railing against people that had too much and how it ought to be spread around. And he saw a farmer in overalls and he said, "Now, Farmer Jones, if you had a million dollars, wouldn't you give up about a third of it and go out here on these crossroads and spread that money around so all the little kids could have plenty to eat and people would have a roof over their heads at night?" He said, "Of course, I would."

And he said, "If you had a brand-new Cadillac car, wouldn't you ride up and down these roads and take the old folks to the hospital and the young people to school that couldn't afford to get there themselves?" He said, "You bet I would." He said, "And farmer if you had three hogs." And he said, "Now, wait a minute Governor, I've got three hogs." (Laughter and applause.)

It seemed to me that we had to restore some economic discipline to this country so that people would know that their three hogs would be all right. So that people would know that at least they would not be robbed of the benefits of their own labor by the defects of the system in which they lived.

And so I proposed what, at the time, was a controversial and very difficult budget in 1993, that only members of our party voted for, that was predicted to drive us into a recession. And instead in four and a half years it cut the deficit by 80 percent -- before this last budget even passed. And I'm proud of that. (Applause.) But no one doubts the ability of Democrats to manage the economy now.

I fought for expanded trade, and we had 200 trade agreements, and a lot of it was controversial, even within our own party. But it is clear from all the economic analysis that 25 percent of the growth that we have enjoyed in the United States in the last four and a half

years has come from expanded trade -- selling more American products and services around the world. It is also clear that we have, on matters of principle, have always kept a more open market so we don't continue to open other people's markets who are just going to take advantage of us.

It was clear to me that if people felt insecure on their streets, in their homes and their schools, that we would never feel fully free and prosperous even if the economy returned. So we tried to join what was already a developing movement toward community policing and other proven strategies to fight crime. And I determined that ours would be the first administration that would ever take on the issue of the irresponsible use of handguns in this country. And I come from a state where more than half the people have a hunting or a fishing license or both, and I figured if I can't take this one and talk to people and talk sense to people, who can?

And so we did the Brady Bill, we did the assault weapons ban. I still want trigger locks on these guns that children can get their hands on. I think that these are responsible things. But we've had a drop in serious crime in every single year, and last year we had the biggest drop in violent crime in 35 years. And the American people are safer and they know it. And no one seriously doubts the ability of our party to be a responsible partner in keeping our streets safer and giving our children a more secure future. And I think that's important. (Applause.)

I had to fight a very difficult battle on welfare. I did not want the welfare reform bill to be an excuse to hurt children and I vetoed two bills that I thought were. But it seemed to me that since there was already no uniform national benefit, that the states were already in effective control over what the size of a welfare check was, but they didn't have any real responsibility because the authority was divided between the states and the federal government. And it seemed to me the responsible thing to do was to set up a uniform set of standards about how we thought the welfare program ought to work, to put guidelines and limits on people who could go to work if there were jobs available and required them to do so, or to be in education and training programs, but to take better care of the children with adequate child care and other supports and nutrition and medical care.

And that's what the welfare reform bill was all about. There were a lot of things in it I didn't like -- cutting benefits to legal immigrants -- but as you see, we've largely restored all the things that we didn't like. And we now have a bill that is contributing to by far the largest drop in the welfare rolls this country has ever seen. And we now have the smallest percentage of Americans receiving public assistance since 1970 -- smallest percentage since 1970. (Applause.) Now, I thought that was important. I thought it was important that we prove that we can conduct the defense and the foreign policy operations of this country. I no longer think that's open to serious doubt. This country is stronger, more secure, and is helping to build the world of the 21st century in the aftermath of the Cold War. And I feel good about that.

I also wanted to do things to increase people's sense of obligation to serve -- that's what the AmeriCorps program was about; that's what the President's Service Summit was all about.

And, finally, let me say, in the Democratic Party, what I tried to do is to bring in people who had previously not been active before. And the most important things we've done in our party is the Women's Leadership Forum, the Saxophone Club -- (applause) -- and your group -- your group -- because we want people in this party to feel that they have a home, they have a role, and they have a contribution to make,

and that their voices will be heard.

Now, we've had a very good first seven months of this year. The budget is a good budget, and it is a progressive one. The tax cuts are confined. Some of us have received some criticism from people who believe that I should not have signed the tax bill because it had a capital gains tax cut and an increase in the estate tax. But let me just remind you that Republicans are still in the majority in the Congress -- I hope it won't be so after '98, but they are now -- but 80 percent of that tax bill went to the children's tax credit, to education, and to a whole array of urban and poor rural redevelopment initiatives designed to bring the areas that are still isolated from our prosperity into the mainstream -- 80 percent.

Secondly, there are strict caps on how much money can be spent in the first five years and in the second five years of this tax program. And even with the little we added on to the size of the tax package, it's still about one-eighth -- one-eighth -- the size of the tax bill adopted in 1981, which led to these permanent deficits. We did not go off in some sort of tax-cutting binge designed to erode the future stability of this country. And we now estimate with conservative estimates that this budget will produce a surplus by 2002 at the latest and a surplus for several years thereafter.

So we are doing the right things, and we've had a good fall. We've also invited the first new members to join NATO. We've established alliance with Russia and Ukraine. We have worked very hard to get the country, for the very first time, to embrace national education standards. And I hope all of you will help us get every state in the country to do that.

We had the Summit of Service that I mentioned, and I launched a very important initiative on race relations which will last for at least a year, as we examine for the first time in a non-crisis way not only what the unfinished business is in America between the white majority and African Americans or Hispanic Americans, but an equally, perhaps even more important question over the long run, which is what are we going to be like as a nation in 30 years when, unless something happens, there will be no majority race in America and we will become the world's first truly great multiracial, multiethnic democracy.

And unlike -- there are many ethnic groups, for example, in a nation like Russia, but most of them live in discreet parts of the country. In our country we're going to have 150 -- actually, more than 150 different racial and ethnic groups largely sharing the future together.

So it's been an exciting time. In the fall we have a lot of other agendas coming up. And let me just mention some of the things that I hope to get done in the remainder of this year. I think it's important that we continue our work to expand trade. This year we have already concluded an agreement on information technology and telecommunication services that will amount to a \$5 billion tax reduction on American products in these areas sold around world; that will open up 90 percent of the world markets to American products in a area where we lead the world and we are creating very good jobs. We need more of this.

I know there's going to be a great controversy over this trade debate, but let me put it to you this way: We have four percent of the world's population. We have 20 percent of the world's wealth. The rest of the world's economy, even though it's on a lower base, is growing at three times the rate of the American economy -- even under the astute management of our administration. (Laughter.)

Because if you start from a lower base, you grow faster.

Now, if you want your children to live in a country that may have even less than four percent of the world's population and still around 20 percent of the world's wealth because of how hard we work and our skills and our ability, there are only two things we can do. The first is to go into our cities and our isolated rural areas and make markets and taxpayers and successful employers and employees and businesspeople out of the people that haven't been reached in our own country, number one. And the second is to sell to the other 96 percent of the people in the world. This is not rocket science. We don't have an option. And the things that we sell by and large are higher value-added products that create good jobs in America.

Are there issues of trade fairness? Of course, there are. We have relatively more open markets than other countries. We have done it for years as a matter of responsibility to try to help poor countries lift themselves up; also keeps us on our toes more and makes us more competitive, and that's one reason we're in the shape we're in today.

Should we fight for a fair deal for our workers? Of course, we should. Should we fight to improve the **global** environment as we increase trade? Of course, we should. But we can't walk away from this.

I'm going to Latin America in the fall. About a year after I took office, we had this great Summit of the Americas. And all the countries in the Americas said, we want to have a free trade area that America and that Canada are a part of. We want our future to be with you. There will soon be a billion people in Latin America, the second fastest-growing area of the world. When I go down there, I want them to believe America is still leading the way toward greater prosperity. The rest of the world economy is on a fast track. The only question is whether we're going to be leading it or dragging up the rear. And I hope we can prevail upon the Congress to work through this in a way that is as satisfactory as possible to the people who have legitimate concerns about the disruptions that the **global** economy can cause.

The second thing we're going to try to do is pass the McCain-Feingold campaign finance reform bill. Now, the good news from my point of view is not such good news for you; we can still have the Democratic Business Council with its price of entry under McCain-Feingold. (Laughter.) But, it will eliminate most of the serious questions people have about the campaign finance system as present, and it will put more pressure on both the Democrats and the Republicans to go out and get more people to contribute, to make more people feel like they're a part of the system, and that will be a very good thing. It will require us to involve more and more and more people.

But let me finally say -- this is very important -- if it's going to work we have to lower the cost of campaigns. And the only way you can lower the cost of modern campaigns is to provide free air time or drastically reduced air time -- which is why I have also worked so hard on that.

We're going to try to pass the juvenile justice bill, modeled on what has happened in a number of cities, but especially in Boston where -- this may surprise you if you don't live in Boston -- it has been almost two full years since a single child has lost his or her life to a handgun. Almost two full years. And, again, it's not rocket science. They have good community policing. They have good neighborhood block watch groups. The neighbors and the police

work together. The police and the probation officers work together. They make house calls in Boston, just like doctors used to. The kids in trouble, they go to the child's home and they sit on the couch in the living room and they talk to the parents.

And, unbelievably enough, they have a 70 percent compliance rate with probation orders. There's no city in the country that's even close to that. Why? Old-fashioned, human contact in an organized, disciplined way, doing what is smart as well as being tough. We want to do that everywhere.

We want to begin the work of dealing with entitlement reform. And people say, well, there's no an emergency now; Social Security is all right until 2029; you just put another decade on the Medicare trust fund. That's true. But when the baby boomers retire, there will be almost just about two people working for one person in his or her retirement years. A lot of us will work longer -- by choice. But the ratio will be awesome.

By making modest **changes** now, we can avoid imposing severe **changes** that will have to be made by our children. And for those of us that are part of that baby boom generation, which are basically everybody between the ages of 34 and 50, it seems to me that we owe it to our children and to the strength and long-term health of our economy and our society to deal with the long-term entitlement issues now, when by making modest **changes** we can avoid more severe **changes** later.

We're going to have to deal with the issue of **climate change** in a responsible way. No one seriously questions anymore that the **climate** is warming and that it is going to have some adverse consequences. The question is, how do you do that and grow the economy? Is there a way to do it? Of course, there is. If we would **change** our habits tomorrow, just some of our habits, we could with no extra charge, no cost at all on society, get rid of 20 percent of the greenhouse gases with presently available technology -- tomorrow. So what we have to do is to try to find a way to organize ourselves, increase our awareness and do this in a way that doesn't cripple the economy. I think we can do that.

Finally, the First Lady and I are going to have a conference on child care in late October. It is still the number one concern of many, many, many working people who believe that they cannot afford or find or have access to quality, affordable child care.

Now, those are the things we're going to be doing. In addition to that, Eli Segal, who's here tonight, heads my national organization where we are mobilizing employers who will agree to hire people from welfare to work. Next week we're going to St. Louis to announce several hundred businesses that have joined us in that endeavor. We've still got a long way to go. We only have about 22 percent of the schoolchildren in the country committed, whose leaders have committed to take the national test, 4th grade reading test, the 8th grade math test by 1999. We're going to keep working on that.

But the point I want to make is, every single one of these things is something that I hope you are proud of that is part of a dynamic mainstream political movement in America that your contributions and your support have made possible. And this is a better country because of it. It's a better country because we're not out there trying to split everybody all up and divide people every day and keep people full of hot air instead of trying to get people together and keep working forward and moving forward. And that's what I'm trying to build for the future and what I want you to be a part of.

Let me just say this in closing. Every day I try to imagine what I hope the country will be like 30 years from now. And if that guides a President and you work back from there, you'll be amazed how much easier that makes the decision-making process. And when I think of the young people that are here tonight, all these fine young people that are working for the Democratic Party and did all the work to make this possible tonight -- what will determine what kind of America they live in?

Number one, will we succeed in being a truly multiracial, multiethnic democracy, where we not only respect, but celebrate our diversity and still say the most thing is we're one America? Number two, will we stop making excuses for ourselves and finally embrace the idea that all children can learn and we're going to see that they learn at internationally accepted levels of excellence? Number three, will we reach into the areas that have not been touched by our prosperity and figure out a way to hook them into the future? Number four, will we figure out a way to grow the economy while enhancing the environment? And, finally, will we continue to do what it takes to lead the world when it comes to peace and freedom and prosperity?

If we do those things, the best days of this country are still ahead. And when we are all much older we can look back on this moment and say, because we were here then and because we did what we did, we did prepare our country for the 21st century. We saved progressive government for its higher purposes and we revitalized America's progressive party to make it go on.

Thank you and God bless you. (Applause.)

END

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White House Press Release

REMARKS BY THE PRESIDENT ON CLIMATE CHANGE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 4, 1997

REMARKS BY THE PRESIDENT ON CLIMATE CHANGE

The Cabinet Room

10:25 A.M. EDT

THE PRESIDENT: Before we start, I think it's only fair to note that we are observing another anniversary of Helen's 50th birthday. (Laughter.) We wanted to give you a birthday cake with a tell-tale number of -- ("Happy Birthday" song is sung.) (Laughter and applause.)

MS. THOMAS: Now, may I have a press conference? (Laughter.)

THE PRESIDENT: I'm going to make a statement and you get the questions. (Laughter.)

MS. THOMAS: Thank you.

THE PRESIDENT: Take it to the press room and cut it up. (Laughter).

MS. THOMAS: Thank you. This is painful. (Laughter.)

THE PRESIDENT: You don't make it look that way. It's painful for me, too. (Laughter.)

I'm glad to be joined today by the CEOs of 10 Fortune 500 companies who have come here to meet with me on **climate change**. These companies represent electric utilities, the oil and gas industry, finance, high technology, and heavy industry. They are all intimately interested in this issue and will be affected by whatever happens on it in our country and throughout the world.

We want a responsible approach to **climate change**. We believe that the science makes it clear that the **climate is changing**. I want to proceed based on some fairly straightforward and simple principles. First of all, as we get ready for the Kyoto conference, I believe there should be realistic but binding limits to emissions of greenhouse

gases. I believe that we have to do it in a way that keeps our economy growing. And I believe that we ought to embrace flexible, market-based policies. I believe we should reemphasize and reenergize our efforts in research and development to find as many technological solutions to this as possible, and to keep our nation in the forefront of what is now a \$400 billion market for environmental technologies.

And finally, I believe the agreement has to be a global one. I think all nations, developed and developing, should be a part of this. So this is part of an ongoing process that I and our administration have undertaken to try to make sure we're working together with all the people who would be affected by this issue and try to reach, hopefully, a common position.

We're going to have a good meeting today, and I'm looking forward to it. And, again, I want to thank all the executives for coming here and giving vent to their views.

Q What do you think of the opposition, who says there is no such thing as global warming and that they don't agree with the scientists -- some of the scientists?

THE PRESIDENT: Well, I think that the real question is -- I don't think that very many people disagree with the fact that there is **climate change** now, I think there's some disagreement about what the impact of it is and what the appropriate response is. There's still some debate there. But I think the scientific evidence for the fact of **climate change** is pretty compelling.

We had that panel of scientists, including the Nobel Prize winners here the other day, and I received a letter from -- I don't know -- over 2,500 of them, from scientists about it. So I think that there's pretty clear evidence that the **climate** is **changing** and could be **changing** substantially. There is still some difference about what the consequences of that will be and what we ought to do about it.

But I think if we follow these principles, we'll be staking out a responsible position, which will permit us to continue to grow economically and do our part in the world. After all, we have only four percent of the world's population, but we account for 20 percent of the greenhouse gas emissions, which you would expect since have slightly over 20 percent of the world's output.

Q Mr. President, how seriously are you considering using a line-item veto to kill some provisions of the budget you'll sign into law tomorrow?

THE PRESIDENT: Well, I asked Mr. Bowles to -- once we got a budget agreement and it passed -- to institute an intensive process to review both the spending and the tax bills to see if there were any items that would be appropriate for the line-item veto. And I have not yet received the results of that review.

I support the line-item veto; I did all along. And I think if we have it, it ought to be used -- I believe that it ought to be used somewhat sparingly. And my experience as Governor was that once I used it a few times I didn't have to -- I didn't need to use it very much anymore. And that's what I would hope would happen. We'll just see -- you probably know more about the likely targets for it than I do at this point. I was interested in the big-picture items in the budget. We got virtually 100 percent of what I sought and I'm elated with the budget. I think it's good for America. I think it will keep the economy growing, and I think it's a responsible thing to do. So whatever I do on that shouldn't be in any way detracting from the

terrific job that the Congress did on it.

Q Mr. President, one question on UPS -- the standards for presidential intervention are relatively high. Are you considering doing anything else to intervene to bring an end to the strike?

THE PRESIDENT: On UPS?

Q Yes, UPS.

THE PRESIDENT: Well, first we urged the federal mediator, and we got that. And we got -- obviously, it didn't work. I still think the parties ought to go back to the table. UPS is a very important company to our country and there are a lot of employees there, and I hope they go back to the table. But at this time I don't think any further action by me is appropriate.

THE PRESS: Thank you.

END

10:32 A.M. EDT

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Fazio, Congressman John Doolittle, Congressman George Miller, who was here yesterday -- all from California.

Members of the President's Cabinet who are here and who have been here, working hard on this issue include Secretary of Interior Bruce Babbitt, Secretary of Agriculture Dan Glickman, the Administrator of the Environmental Protection Agency, Carol Browner. Also, the Chair of the Council of Environmental Quality Katie McGinty. And all the members of the Tahoe Basin Steering Committee who are here -- we want to say a special word of thanks to you.

And there are two statewide elected officials, constitutional officers here -- the Attorney General of Nevada, Frankie Sue Del Papa, who was, incidentally, a former member of the TRPA, and Lt. Governor Gray Davis of California.

And, Mr. President, in addition to the Cabinet members, I want to note that the Secretary of Transportation, Rodney Slater, played a major role in the lead-up to today's conference, and his Deputy, Secretary Mort Downey, is here. And two other Deputy Secretaries are here -- both of them happen to be Californians -- Rich Ruminger, Deputy Secretary of Agriculture; and John Garamendi, Deputy Secretary of the Interior; and John Zhirsky, from the Department of the Army for Civil Works.

Mr. President, yesterday was my kind of day. I've had a chance to tell the President about this, but I got the better end of this deal. (Applause.) Right after I arrived in Lake Tahoe, a park ranger guided me on a hike near the Desolation Wilderness. The trail finished at a summit with a breathtaking view of the Fallen Leaf Lake where Tipper and I stayed last night, and a backdrop of the majestic Mount Tallac.

And then after the hike, I went to the Forest Service Visitors Center to take part in the conference on Lake Tahoe's future. And I want to emphasize that that discussion yesterday, which was very lengthy and very detailed, was actually a wrap-up session following a much lengthier and much more detailed series of intensive issue workshops, five of them led by members of the President's Cabinet and others, and all of them based on the premise that throughout the world, but especially here in Lake Tahoe, the environment and the economy go hand and hand.

Lake Tahoe demonstrates clearly that the economy is the environment, and the environment is the economy. That's the fundamental foundation of all of our conversations. And that's where we will start in the first of our five panels today.

But yesterday we talked in depth about Tahoe's stunning water clarity and how we can work together to keep Tahoe blue. We discussed the importance of forest health and what we must do to prevent wildfires and reduce erosion into the lake. And we spoke about transportation and its critical role, and recreation and tourism -- how we can balance the demands of development and traffic with the constant need to protect the air and the water.

The discussions yesterday yielded a lot of information and insights. The discussion on water clarity emphasized the fact that this lake is unique throughout the world, and the bright, cobalt blue quality just has to be preserved. Everybody agrees on that.

And there was a discussion of the critical role of nitrogen and phosphorus in feeding the algae growth, which is, of course, the main reason why the clarity is slowly disappearing. And the scientists

make the point that the phosphorus is critical as a limiting factor, and that's why soil erosion must be controlled. And nitrogen, the other critical element, comes predominantly, it seems, from the emissions from cars and trucks and buses, both directly through the air and indirectly after being deposited on the land and then washed in with the soil erosion.

On the panel dealing with forest health, we had an extensive discussion about the history of the forest and what can be done in practical terms to restore forest health. We had an extremely interesting conversation about the planning that's under way to deal with the transportation issue. And I was extremely impressed with what the business community talked about for the future of recreation and tourism here to emphasize the quality of the recreation experience here at Lake Tahoe, the creation of partnerships and how in the future the economy and the environment will go hand in hand as well.

We heard, Mr. President, from a lot of people -- Democrats and Republicans, Nevadans and Californians, environmentalists and business owners, public officials, private citizens, and tribal leaders. There were a lot of different viewpoints, but there was one thing that everybody agreed on: this place is amazing. It's a national treasure that must be protected and preserved.

Lake Tahoe sits on the edge of two states, but it's smack-dab in the middle of paradise. And all who benefit from the Lake Tahoe Basin bear responsibility for keeping it that way. In fact, it's our moral obligation to be faithful stewards of our heritage and protect this area for future generations. So that's why we're here today -- to make sure that this special place is protected, as the President's doing with Yellowstone and the Everglades and the Grand Canyon. This is one of crown jewels, unique among them all.

We'll succeed if we remain committed and especially if we recognize the overriding importance of the other great asset here in Lake Tahoe, in addition to the natural beauty, the unique partnership and consensus that has emerged here.

Now, it is my pleasure to present the individual who has made possible and led the growing national consensus on protecting the environment and growing the economy at the same time; someone whose commitment to our national heritage is unparalleled, who understands that environmental protection and economic growth are one in the same, not only here, but all over our nation; someone who knows that we need to come together and find common ground if we're to preserve America's sacred ground.

Ladies and gentlemen, the President of United States, Bill Clinton.
(Applause.)

THE PRESIDENT: Thank you very much. First of all, ladies and gentlemen, I want to thank all of you who have had anything to do with these efforts in working with us over the last several months. The members of the Cabinet and the deputy secretaries have been acknowledged. The members of the Congress have been acknowledged. The other distinguished state officials from California and Nevada have been acknowledged. But there are a lot of people who work for these federal agencies at other levels who have just been out here killing themselves for the last few months to try to make this a good, successful two days. And to all the citizens who worked with them, and to all the federal employees who are here, I want to thank all of you for what you did to help these last two days be successful.

(Applause.)

In addition, there are four people who worked with us to help make these workshops and in this forum a success -- Katie McGinty, Jim Lyons, Tom Tuckman, Phil Bayles -- I can't count; six -- Jeff Bailey and Dave Van Note. And I want to thank them.

I want to say a special word of appreciation to the members of Congress from these two states who have proved that this is a bipartisan, perhaps even a nonpartisan endeavor, that we all have a stake, not just as Westerners, but as Americans, in not only preserving Lake Tahoe, but, if possible, reversing some of the difficulties of the last two years.

But I would be remiss if I did not say a special word of thanks to the person who thought this idea up and got my commitment months ago -- months ago -- to show up, if you'll forgive me, come hell or high water. And here we are in the middle of the budget negotiations we're trying to finish today back in Washington, but I am here because I promised Harry Reid months ago I would be here. (Applause.) Thank you.

I also want to thank the people who took us out on the boat today and who do all this wonderful research here, and everybody who took the Vice President around yesterday. When I got up at 5:00 a.m. in the morning my time, 2:00 a.m. your time, to come here today -- and I ought to be tired but I'm exhilarated, partly because of the beauty of the surroundings. And I always -- on the few times in my life I've been privileged to be at this great site, I've always been exhilarated by it.

The other reason I am pumped up is that when I saw the Vice President this morning he was virtually glowing, and I knew he had been here in his element. (Laughter). And the minute we got on the boat, I got my Marine Biology 101 lecture -- (laughter) -- about, phosphorous, nitrogen, what does what, what does the other. I looked at the plankton. I mean, I could pass anybody's test now. (Laughter.)

And you have made Al Gore a happy man. (Laughter and applause.) He thinks that he is a -- this may be one of the deepest lakes in the world, but he's just about 6 inches below heaven right now. (Laughter.)

Let me say that the first stewards of this land, of course, were the Washoe People. They tell us that Lake Tahoe was the product of the Good Spirit's benevolent hand. They've also treated it that way. Perhaps now more and more Americans and more and more citizens of the world are tending to look at our environment that way. I certainly hope so.

When Washoe families came to the lake each spring, they blessed the water and shared its bounty. And when they left their campsites each winter, they hardly left a track behind. Today, it appears to me that all those who are involved in this great endeavor revere this region and have worked hard to keep it safe from harm.

Your cooperation to protect Lake Tahoe is, frankly, as the Vice President said, an outstanding model for the work we have to do to protect all kinds of national treasures and deal with all kinds of environmental challenges in the new century. And if I could be quite candid here, one of the reasons that I wanted to come here was not only to highlight to the nation the importance of Lake Tahoe, but also to show the nation that there is a place where environmentalists and business people and ordinary citizens, where Republicans and

Democrats, where tribal leaders and governmental people, where everybody is working together in common cause recognizing that there cannot be an artificial dividing line between preserving our natural heritage and growing our economy.

That is the fundamental lesson as Americans we have to absorb if we hope to be able to have our grandchildren and our grandchildren's grandchildren 100 years from now celebrating the kind of country we're celebrating on the edge of this new century. So you are doing something important for the country. (Applause.)

As all of you know, the Vice President and I got to go out on the UC Davis research vessel this morning to see how the scientists monitor the lake's clarity and quality, and we also learned just how not only pristine Lake Tahoe still is, but how much it has degraded over the last 40 years or so. We could see from measurable evidence and the charts that are tacked up inside the vessel what we have to do to reverse the decline.

We also have gotten the message in the workshops the Vice President has described. Over the last two months, I think it's astonishing that more than 1,000 people have participated in these workshops. I believe this is the seventh such meeting -- I think that's accurate. And for all of those 1,000 people plus, I want to thank you because the announcements that will be made today and the work that will be done in the months and years ahead is in no small measure the direct result of your willingness to give your time to participate in this process.

We learned that all of us have to find even better ways to work together. And I think you know that just a few moments ago, I signed an executive order to ensure greater cooperation among all the governments, agencies and businesses working here. It's not a top-down federal mandate, but a pledge to collaborate and share resources more than ever. We will work with you, we will support you, but you -- the states, the tribes, the local citizens -- you will lead the way. The executive order simply embodies the ratification of our obligation to help and to support.

The workshops also convinced us that the federal government must take new actions now to help protect Lake Tahoe's environment and, with it, the area's economy and quality of life. Today, with real projects based on listening to local people, we commit to take more than 25 specific actions and more than double the federal government's investment in the basin in each of the next two years to well over \$50 million. (Applause.)

Among the things that we intend to do are, first, to expand our efforts to restore the forest and reduce the risk of catastrophic fires. The Forest Service will use prescribed fire and other means to clean out the dry brush and wood on more than 3,500 federally owned lots and 3,000 acres of open forest each year.

Second, we'll take steps to protect and restore the lake's fabled water quality. We will work with UC Davis to develop computer tools that can predict how various watershed improvements will contribute to water quality. Every federal agency here will work to increase efforts to restore natural habitat, reduce erosion, and keep the water clean.

One crucial measure we'll work hard to deliver is a new pipeline to

carry waste water out of the Tahoe Basin. (Applause.) And I thank all the members who have supported that, but I particularly want to recognize the efforts of Senator Boxer and Congressmen Fazio and Doolittle.

Third, we will help to cut down on traffic congestion and auto pollution by joining with you to improve mass transit throughout the region. I'm pleased to report that the U.S. Postal Service will help by switching to cleaner natural gas trucks and expanding home mail delivery to people on the west side of the lake. The Sierra Nevada's legendary 19th century mail carrier, Snowshoe Thompson, would probably be proud of that. (Laughter.)

And let me say, if I might do a little home cooking here, there are natural gas buses manufactured in Chattanooga, Tennessee -- (laughter) -- now being sold all over the world, now in use in the rainforest in Costa Rica, that would be very good for reducing air pollution around the lake. (Laughter.) And I know someone who would be helpful in getting you in touch with the appropriate people. (Applause.)

Finally, the Vice President met with Washoe elders yesterday and announced that we will assist the tribe in their efforts to protect sacred areas and preserve their culture. (Applause.) The Forest Service intends to provide approximately 350 acres to the Washoe for use in growing traditional plants, and another section of land where the Washoe will establish a cultural center. As part of this action, the Forest Service intends to provide tribal members access to the water's edge for the first time in a century. (Applause.)

I learned today from their leader that the Washoe first wrote to the President of the United States asking help on these matters in 1877. It just took 120 years, but I can tell you, from now on, the mail will run more rapidly between Lake Tahoe and Washington, D.C. (Applause.)

We hope to do more beyond today's announcement as we work with leaders from California and Nevada and Lake Tahoe's many friends in Congress. I also want to recognize the efforts of Governor Miller, Governor Wilson earlier this week in recommending their states' resources to the lake -- recommitting their states' resources to the lake.

I'm convinced we can succeed in this endeavor. And, as I said before, I'm convinced, as we do, the model of cooperation you have established will be a model that we'll want to follow throughout the country.

We have a lot of work to do today to preserve the pristine Head Water's Forest in northern California, something of great concern I know to Senator Feinstein and many others; to restore the Florida Everglades; to protect the endangered Sterling Forest in the Northeast; to save Yellowstone from gold mining. We have an awful lot of work to do I think in perhaps our biggest challenge of all in confronting the challenge of **global climate change** as we move into a new century.

President Theodore Roosevelt said, standing not far from here, "We are not building this country of ours for a day. It is to last through the ages." Well, as we approach the 21st century and deal with these huge mega-challenges like **climate change**, you have given us a way to meet the challenge of the ages -- by working together and understanding what our forebears knew centuries ago. We cannot

divide our quest for prosperity from our obligation to hand nature,
God's great gift to us, on down to the generations.

We can do that. You have shown us the way. And we are determined
to do our part. Thank you very much. (Applause.)

END

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White House Press Release

REMARKS BY THE PRESIDENT IN ADDRESS TO THE UNITED NATIONS SPECIAL SESSION ON ENVIRONMENT AND DEVELOPMENT

THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release

June 26, 1997

REMARKS BY THE PRESIDENT IN ADDRESS TO THE UNITED NATIONS SPECIAL SESSION ON ENVIRONMENT AND DEVELOPMENT

The United Nations
New York, New York

6:30 P.M. EDT

THE PRESIDENT: Thank you very much. Mr. President, Mr. Secretary General, ladies and gentlemen: Five years ago in Rio, the nations of the world joined together around a simple but revolutionary proposition, that today's progress must not come at tomorrow's expense.

In our era, the environment has moved to the top of the international agenda because how well a nation honors it will have an impact, for good or ill, not only on the people of that nation, but all across the globe. Preserving the resources we share is crucial not only for the quality of our individual environments and health, but also to maintain stability and peace within nations and among them. As the father of conservation in our nation, John Muir, said, "When we try to pick anything out by itself, we find it hitched to everything else in the universe."

In the years since Rio, there has been real progress in some areas. Nations have banned the dumping of radioactive wastes in the ocean and reduced marine pollution from sources on land. We're working to protect the precious coral reefs, to conserve threatened fish, to stop the advance of deserts. At the Cairo Conference on Population and Development, we reaffirmed the crucial importance of cooperative family planning efforts to long-term sustainable development.

Here in America, we have worked to clean up a record number of our toxic dumps and we intend to clean 500 more over the next four years. We passed new laws to better protect our water, created new

national parks and monuments, and worked to harmonize our efforts for environmental protection, economic growth and social improvement, aided by a distinguished Council on Sustainable Development.

Yesterday, I announced the most far-reaching efforts to improve air quality in our nation in 20 years, cutting smog levels dramatically, and, for the first time ever, setting standards to lower the levels of the fine particles in the atmosphere that form soot. In America, the incidence of childhood asthma has been increasing rapidly. It is now the single biggest reason our children are hospitalized. These measures will help to **change** that, to improve health of people of all ages, and to prevent as many as 15,000 premature deaths a year.

Still, we here have much more to do, especially in reducing America's contribution to global **climate change**.

The science is clear and compelling: We humans are **changing** the global **climate**. Concentrations of greenhouse gases in the atmosphere are at their highest levels in more than 200,000 years, and climbing sharply. If the trend is not **changed**, scientists expect the seas to rise two feet or more over the next century. In America, that means 9,000 square miles of Florida, Louisiana, and other coastal areas will be flooded. In Asia, 17 percent of Bangladesh, land on which 6 million people now live, will be lost. Island chains such as the Maldives will disappear from the map, unless we reverse the predictions.

Climate changes will disrupt agriculture, cause severe droughts and floods and the spread of infectious diseases, which will be a big enough problem for us under the best of circumstances in the 21st century. There could be 50 million or more cases of malaria a year. We can expect more deaths from heat stress. Just two years ago, here in the United States in the city of Chicago, we saw the tragedy of more than 400 of our citizens dying during a severe heat wave.

No nation can escape this danger. None can evade its responsibility to confront it. And we must all do our part -- industrial nations that emit the largest quantities of greenhouse gases today, and developing nations whose greenhouse gas emissions are growing rapidly. I applaud the European Union for its strong focus on this issue, and the World Bank for setting environmental standards for projects it will finance in the developing world.

Here in the United States, we must do better. With 4 percent of the world's population, we already produce more than 20 percent of its greenhouse gases. Frankly, our record since Rio is not sufficient. We have been blessed with high rates of growth and millions of new jobs over the last few years, but that has led to an increase in greenhouse gas emissions in spite of the adoption of new conservation practices. So we must do better, and we will.

The air quality action I took yesterday is a positive first step, but more must follow. In order to reduce greenhouse gases and grow the economy, we must invest more in the technologies of the future. I am directing my Cabinet to work to develop them. Government, universities, business and labor must work together. All these efforts must be sustained over years, indeed, over decades. As Vice President Gore said Monday, "Sustainable development requires sustained commitment." With that commitment, we can succeed.

We must create new technologies and develop new strategies like emissions trading that will both curtail pollution and support continued economic growth. We owe that in the developed world to ourselves and, equally, to those in the developing nations.

Many of the technologies that will help us to meet the new air quality standards can also help us to address **climate change**. This is a challenge we must undertake immediately and one in which I personally plan to play a critical role.

In the United States, in order to do our part, we have to first convince the American people and the Congress that the **climate change** problem is real and imminent. I will convene a White House Conference on **Climate Change** later this year to lay the scientific facts before our people, to understand that we must act, and to lay the economic facts there so that they understand the benefits and the costs. With the best ideas and strategies and new technologies and increased productivity and energy efficiency, we can turn the challenge to our advantage.

We will work with our people and we will bring to the Kyoto conference a strong American commitment to realistic and binding limits that will significantly reduce our emissions of greenhouse gases.

I want to mention three other initiatives briefly that we are taking to deal with **climate change** and to advance sustainable development here and beyond our borders.

First, to help developing nations reduce greenhouse gas emissions, the United States will provide \$1 billion in assistance over the next five years to support energy efficiency, develop alternative energy sources and improve resource management to promote growth that does not have an adverse effect on the **climate**.

Second, we will do more to encourage private investment to meet environmental standards. The Overseas Private Investment Corporation will now require that its projects adhere to new and strengthened environmental guidelines, just as our Export-Import Bank already does and as I hope our allies and friends soon will. Common guidelines for responsible investment clearly would lead to more sustainable growth in developing nations.

Third, we must increase our use of new technologies even as we move to develop more new technologies. Already, we are working with our auto industry to produce cars by early in the next century that are three times as fuel-efficient as today's vehicles. Now we will work with businesses and communities to use the sun's energy to reduce our reliance on fossil fuels by installing solar panels on 1 million more roofs around our nation by 2010. Capturing the sun's warmth can help us to turn down the Earth's temperature.

Distinguished leaders, in all of our cultures we have been taught from time immemorial that, as Scripture says, "One generation passes away and another comes, but the Earth abides forever." We must strengthen our stewardship of the environment to make that true and to ensure that when this generation passes, the young man who just spoke before me and all of those of his generation will inherit a rich and abundant Earth.

Thank you very much. (Applause.)

END

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White House Press Release

OPENING REMARKS BY THE PRESIDENT AND THE VICE PRESIDENT AT DISCUSSION ON CLIMATE CHANGE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 24, 1997

OPENING REMARKS BY THE PRESIDENT
AND THE VICE PRESIDENT
AT DISCUSSION ON **CLIMATE CHANGE**

The East Room

1:57 P.M. EDT

THE VICE PRESIDENT: Please be seated ladies and gentlemen. On behalf of the President and the First Lady, it is my pleasure and honor to welcome all of you to the White House. I'm going to present the President in just a moment.

Before doing so, on his behalf, I would like to acknowledge the distinguished guests who are present. I will formally introduce our panel of Nobel laureates and university scientists in just a moment. I want to acknowledge members of the President's Cabinet who are here -- Administrator of the EPA Carol Browner; Secretary of Commerce Bill Daley; Secretary of Labor Alexis Herman; Secretary of Energy Federico Pena; Under Secretary of the Treasury Larry Summers; Director of the Federal Emergency Management Agency James Lee Witt; Chair of the Council on Environmental Quality Katie McGinty; the President's Science Advisor, Dr. Jack Gibbons, and other distinguished guests who are present. We meet today to discuss the future of our planet and the realities of global **climate** disruption.

I want to acknowledge one other person who is in the room somewhere and I haven't had a chance to see him yet, but Charles David Keeling is here. And, Dr. Keeling, thank you very much for joining us. And he was responsible, along with one other, in measuring carbon dioxide in the atmosphere for the very first time back in the last 1950s. And my own introduction to this issue came about as a direct result of the

measurements which showed the annual cycle of carbon dioxide and the steadily increasing peaks of concentrations of carbon dioxide, and now, of course, we know other greenhouse gases, as well, that resulted from those measurements.

Later, when I came to the Congress quite a few years after that, in holding hearings I saw that those concentrations had increased dramatically and, of course, all around the world scientists were studying it intensively. And now we will soon hear from these scientists about what the world's scientific conclusion is about what this means for increased droughts and floods, dramatic **changes** in the distribution of forests and croplands. And all of this gives rise to great concern that we are committing future generations to a planet that is altered in profound ways that can cause great harm to future generations.

This administration has always worked on a simple principle when addressing problems of a scientific and technical nature, and that principle is: Science must inform policy decisions. Scientists are by nature a cautious group, but the world's scientific community is telling us in many ways that they believe that we as a civilization are disrupting the balance of the world's **climate**. In the words of the 2,000 scientists who participated in the intergovernmental panel on **climate change** -- and I quote -- "there is a discernable human influence on global **climate**."

More than 2,600 scientists have signed a letter about global climatic disruption, which we'll be hearing more about in just a few minutes. Today, we hear about the concerns of scientists. They speak as eminent experts and as U.S. citizens who care about the future of this planet. Each has a resume far too long to recount, but let me briefly introduce those who are with us today.

Dr. Sherry Rowland won the 1995 Nobel Prize for Chemistry for his pioneering research in atmospheric chemistry, explaining the destruction of the stratospheric ozone layer. He is also a professor at the University of California at Irvine and an official with the National Academy of Sciences.

Dr. Mario Molina shares the 1995 Nobel Prize with Sherry Rowland. He is the Lee and Geraldine Martin Professor of Environmental Science at MIT.

Dr. Jane Lubchenco is an eminent ecologist, past President of the American Association for the Advancement of Science, very active with the AAAS, and also past President of the Ecological Society of America. She is currently the Wayne and Gladys Valley Professor of Marine Biology and a distinguished Professor of Zoology at Oregon State University.

Dr. Stephen Schneider is a **climate** scientist and professor at Stanford University, recipient of a MacArthur Fellowship and winner of the American Association for the Advancement of Science's Westinghouse Award for Public Understanding of Science and Technology.

Dr. Bob Shope has devoted his professional life to the study of viruses carried by biting insects. He is currently a professor in the Departments of Pathology and Microbiology and Immunology at the University of Texas.

Dr. Henry Kendall won the Nobel Prize for physics in 1990. He is Chairman of the Board of the Union of Concerned Scientists and the J.A. Stratton Professor of Physics at the Massachusetts Institute of Technology.

And John Holdren is an expert on energy and environmental science and delivered the Nobel Peace Prize acceptance lecture on behalf of the Pugwash Conferences. He is currently the Director of the Program on Science, Technology and Public Policy at the John F. Kennedy School of Government and Professor of Environmental Science and Public Policy in the Department of Earth and Planetary Sciences at Harvard.

And now I would like to introduce the person who is leading our country and the world toward a recognition of what must be done to deal with this issue. It is my honor, ladies and gentlemen, to present the President of the United States, President Bill Clinton. (Applause.)

THE PRESIDENT: Thank you very much. Ladies and gentlemen, first let me thank you for being here -- members of the administration and concerned members of the public, the scientists and other experts that are here.

I would also like to say a special word of thanks to the Vice President. In one of our earliest meetings together -- we meet once a week and have lunch -- he went over the whole history of greenhouse gas emissions and climatic **change**. And I became convinced first that he was convinced that something was wrong. (Laughter.) Then I became convinced something was wrong. And it's been a great help to me, and I believe, to the people of the United States to have him in the position that he's in not only with the convictions that he has, but with the knowledge that he has. And I'm very grateful to him for what he has done to help me come to grips with this issue.

To me, we have to see this whole issue of **climate change** in terms of our deepest obligations to future generations. I have spent most of my time in the last four and a half years trying to prepare the American people for a new century and a new millennium. It is also very important that we protect the Earth for that new millennium, to make sure that people will be able to take advantage of all the things we are trying to do, the opportunities we are trying to create, the problems we are trying to solve.

It is obvious that we cannot fulfill our responsibilities to future generations unless we deal responsibly with the challenge of **climate change**. Whenever the security of our country has been threatened, we have led the world to a better resolution. That is what is at stake here. And the scientists have come here to explain why.

As the Vice President said, the overwhelming balance of evidence and scientific opinion is that it is no longer a theory, but now a fact that global warming is for real. The world scientists believe that if we don't cut our emissions of greenhouse gases, we will disrupt the global **climate**. In fact, there is ample evidence that human activities are already disrupting the global **climate**,

and that if we stay on our current course, the average global temperatures may rise 2 to 6 degrees Fahrenheit during the next century.

To put that in some context, the difference in average temperature between the last Ice Age, which was 10,000 to 12,000 years ago -- 10,000 to 12,000 years ago -- and today, is about 9 degrees Fahrenheit. So we could have two-thirds of that **change** in 100 years unless we do something.

If we fail to act, scientists expect that our seas will rise one to three feet, and thousands of square miles here in the United States, in Florida, Louisiana and other coastal areas will be flooded. Infectious diseases will spread to new regions. Severe heat waves will claim lives. Agriculture will suffer. Severe droughts and floods will be more common. These are the things that are reasonably predictable.

In the face of this, the United States must confront a challenge that in some ways is the most difficult of all democracy's challenges to face. That is, we have evidence, we see the train coming, but most ordinary Americans in their day-to-day lives can't hear the whistle blowing. They have no -- unless they have lived in a place where they have experienced severe and unusual and completely atypical weather disruptions in the last five years or so, the degree of the challenge is inconsistent with the actual perceived experience of most ordinary Americans. And this is true, indeed, throughout the world. And that presents us our challenge.

A democracy is premised on the proposition that if the American people, or any people in any democracy, know what the facts are and believe them, way more than half the time they will do the right thing. And so what we are doing today is beginning a process in which we ask the American people to listen to the evidence, to measure it against their own experience, but not to discount the weight of scientific authority if their own experience does not yet confirm what the overwhelming percentage of scientists believe to be fact today. This is a great exercise and a great test for our democracy.

I do want to say that I am convinced that when the nations of world meet in Kyoto, Japan, in December on this issue, the United States has got to be committed to realistic and binding limits on our emissions of greenhouse gases. Between now and then, we have to work with the American people to get them to share that commitment. We have to emphasize flexible market-based approaches. We have to embrace research and development efforts in technology that will help us to improve the economy -- improve the environment while permitting our economy to grow. We have to ask all nations, both industrial and developing, to participate in this process.

But if we do this together, we can defuse this threat. And we can make the 21st century what it ought to be, not only for our children, but for all the children of the world. I believe the science demands that we face this challenge now. I'm positive that we owe it to our children. And I hope that we can find the wisdom and the skill to do democracy's work in the next few months, to build the consensus necessary to actually make action, as opposed to rhetoric, possible.

And for all of you for your commitment to that, I thank you.

And now I'd like to ask Dr. Rowland to be the first of our distinguished scientists to lead off. (Applause.)

* * * * *

THE PRESIDENT: I wish every American could hear what we've heard today. But thanks to our friends in the media, a good number of them will hear at least a portion of what we have heard today. And this is the beginning of a consistent long-term effort that we all have to make to involve the people of this country in this decision. And I thank you all for the points you've made because, in different ways each of them will resonate with citizens of this country in a way that I believe will give us the support we need to take the action that has to be taken.

In the weeks and months ahead, the Vice President, the Cabinet, other members of the administration and I will be out in the country discussing this. We'll be working with the American people; we'll be talking about solutions as well as problems. The truth is, it's like anything else -- the quicker you get -- another answer Dr. Holdren might have given is that the quicker you get after this the less extreme the remedy you have to embrace to have a measurable effect to avoid an undesirable outcome. And the longer you wait, the more disruptive the ultimate resolution will be. So that's another thing that I'd like to emphasize.

Before we close I hope you will permit me to make a brief statement. Just before I came in here to this meeting I learned that today, and not very long ago, retired Supreme Court Justice William Brennan passed away. He was a remarkable human being, one of the finest and most influential jurists in our nation's history. He served on the Supreme Court for 34 years. He was perhaps during that period the staunchest, most effective defender of individual freedom against government intrusion.

His devotion to the Bill of Rights inspired millions of Americans and countless young law students, including myself. And one of the great honors I have had as President was to be able to award him the Presidential Medal of Freedom in my first year in office.

He once said, the role of the Constitution is the protection of the dignity of every human being and the recognition that every individual has fundamental rights which government cannot deny. He spent a lifetime upholding those rights, and he authored some of the most enduring constitutional decisions of this century, including Baker v. Carr on one person, one vote; The New York Times v. Sullivan, which brought the free speech doctrine into the latter half of the 20th century. The force of his ideas, the strength of his leadership and his character have safeguarded freedom and widened the circle of quality for every single one of us.

We will miss him greatly. And I know you join me in sending our

best wishes and our prayers to his family and friends, and our
gratitude for his life.

Thank you very much. (Applause.)

END

3:05 P.M. EDT

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White House Press Release

REMARKS BY THE PRESIDENT ON THE ENVIRONMENT

THE WHITE HOUSE

Office of the Press Secretary
(San Jose, Costa Rica)

For Immediate Release

May 9, 1997

REMARKS BY THE PRESIDENT ON THE ENVIRONMENT

Braulio Carrillo National Park
Costa Rica

11:07 A.M. (L)

PRESIDENT CLINTON: Thank you very much. Thank you, Mr. President, for delivering on the rainforest. (Laughter.) You know, in my part of the United States, the children are raised with an old proverb that has come true today. The proverb is, you must be careful what you ask for in life, because you might get it.

Well, Dr. Macaya, to Joaquin Viquez -- didn't that young man do a great job. You should be very proud of him; he was terrific. (Applause.) Thank you.

To all of those who have spoken before and who have come here, and let me thank the members of my Cabinet and administration who are here, and also the members of the National Park Service. Hillary and I have tried to make sure we're at at least one of our national parks every year, and I think it's fair to say that they are the most popular public servants in the United States, so it's nice to see them -- in the case of Mr. Findley -- someplace besides Yellowstone. I'm glad you're all here. Thank you all very much for what you do. (Applause.)

Most of what needs to be said has been said. I come here to emphasize the importance of the forest that surrounds us, the chain of life not only in Costa Rica and Central America but to all the world. We know that the rainforests of the world provide us with a good deal of our oxygen and enormous resources coming out of the plant and animal life they contain. We know that the forest helps us keep our **climate** stable to preserve our soils, to protect our river. It nurtures plants that provide food and clothing and furniture and medicine. And from the stunning quetzal bird to the stealthy jaguar, we know that the

marvelous animals must be preserved for all to see.

There is a new understanding today in the world between the bonds that connect human beings and their natural environment. We know we have to preserve them, and we know that in the end economic development itself cannot occur unless the environment is preserved. That is the lesson of the Rio Earth Summit five years ago, the driving force behind the CONCAUSA Alliance between the United States and Central America that President Figueres discussed, and also the driving notion behind the way we want to integrate this hemisphere -- not just in trade and economics but also in education and health -- and finally in common cause to sustaining the treasures we see around us here today.

Costa Rica is showing the way -- you heard President Figueres say that now more than one-quarter of its land is being protected. The unique natural resources are generating jobs and income. Just before I came up here, Secretary Babbitt gave me the figures on Costa Rica's tourism income because of the commitment the people of this country have made to preserving and protecting the natural environment. We now know we have to do this not only in our hemisphere but around the world.

You know, the examples that the President cited I thought were quite important. We are pursuing ways to reduce greenhouse gases. There is some doubt about exactly what increased greenhouse gas emissions are doing to the **climate**, but no one doubts that they're **changing** the **climate**, and no one doubts that the potential consequences can be very profound and severe.

Almost three years ago, the Vice President of the United States, Al Gore, and President Figueres signed an agreement that will help United States companies greenhouse gas emissions by investing in environmental projects in Costa Rica.

Today, there are more than a dozen of these joint projects all across Central America -- promoting solar energy in Honduras, geothermal energy in Nicaragua, forest management in Belize. Now the carbon certificates created by the government of Costa Rica and the United States companies will provide a new way to finance these investments. Proceeds will go to clean power plants, protecting or planting forests, launching other programs that pay environmental dividends. This is a long way from the philosophy which prevailed in this country, in our country, and indeed throughout the developed and the developing world just a few years ago.

From electric buses, which the President pointed out, to wind-driven power plants, Costa Rica's ambitious plans prove that we can have clean air and renewable energy in ways that create jobs here and in our country. That bus, I believe, was made in the Vice President's home state of Tennessee. And he asked me to say he appreciates it.
(Laughter.)

Third, let me say a special word of appreciation for something the President mentioned, and that is the work that is being done with the rain forest and with the space program by Dr. Franklin Cheng Diaz, to deal with Chagas disease, which kills 20,000 people in Latin America every year. The idea of combining what we know about space and what we find in the rain forest to make people have better and healthier lives is another stunning reminder that we destroy these resources at our peril.

Last, let me say, we're finding new ways to preserve our

natural heritage. Once, our National Park Service worked with Costa Rica to help to set up your incredible network of parks. Now the Costa Rican Park Service is returning the favor by helping us to use your computer software in ways that will enable our park rangers at Yellowstone -- which is the shining diamond of our park system -- to catalog and preserve its natural wonders.

Soon after we complete this moment, Secretary Babbitt and Minister Castro will sign an agreement strengthening our cooperation for the next century. We're also working together to help other countries take better care of their wildlife, train professionals to manage fisheries in Argentina, run national parks in Paraguay, teach conservation in Guatemala. Now we have to work across national lines to protect the habitat of the songbirds, the sea turtles, the other creatures that migrate between our shores, and to stop the illegal and deadly trade in endangered species.

Yesterday in San Jose, President Figueres, our fellow leaders, and I pledged to make sustainable development a cornerstone of our relations. It will be part of the 1998 Summit of the Americas in Santiago and eventually the foundation of a larger global effort.

We must ban leaded gasoline everywhere, not just in Costa Rica, and control pesticides in our hemisphere, and reach a global agreement to phase out the most dangerous toxic chemicals.

We have to protect our own forests and work with the United Nations to develop a strategy for the sustainable management of others around the world. And we must meet the challenge of **climate change** -- regionally and beyond our hemisphere.

Together, we can make this a very historic year, Mr. President. As you know, the United Nations is having a special session next month on the environment. I am pleased to be leading America's delegation to the U.N. I hope many other world leaders will be there. Together, we need to reaffirm the spirit of Rio and lay out the concrete steps we're going to take to move ahead to make the preservation of the global environment and sustainable development the policy of every nation on earth. (Applause.)

We are seeking to build a world where people live in the 21st century in harmony, not at war with each other; when they recognize that they have more in common than what divides them; when they no longer seek to elevate themselves by demeaning other people. That kind of world will only occur if we are also generous, wise and good to our natural environment, and where we do not expect today's growth to threaten tomorrow's survival. That is my commitment; that is Costa Rica's commitment -- let us make sure we realize it. Thank you and God bless you all.

Before the paper is too wet, we have to ask Secretary Pena, Secretary Babbitt, and Minister Castro to come sign our agreements on electric transport and parks on behalf of our two nations. And we hope that the pens still work. (Laughter and applause.)

END

11:16 A.M. (L)

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White House Press Release

REMARKS BY THE PRESIDENT AND VICE PRESIDENT UPON DEPARTURE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 22, 1997

REMARKS BY THE PRESIDENT AND VICE PRESIDENT UPON DEPARTURE

The South Lawn

9:05 A.M. EDT

THE VICE PRESIDENT: Good morning, ladies and gentlemen. Of course, as you know, the President is about to depart for North Dakota and the surrounding area to bring some additional help and encouragement and solidarity to the victims of the 500 Year Flood in that area.

Prior to leaving, the President is going to make an important announcement concerning a major new step forward in our effort to empower the American people with information needed to protect their environment. This new step being taken by the President vastly expands the community's right to know about pollutants being released into their neighborhoods and into their communities.

One important aspect of this announcement is the reinventing feature that streamlines the collection of information by the businesses affected by this new announcement and protects the environment in new ways, while at the same time reducing the burden of information collection on businesses. This measure probably has more support across all lines in America than any other thing that we do; because when you give the American people they can use to protect themselves, then people at the grassroots level find very creative ways to convince those sources of pollution to reduce the emissions into the air and water in the communities where these individuals live.

It is only one example of the broad-based effort led by President Bill Clinton to greatly improve the protection of the environment. Everything from emissions in the smallest community to the global issues, such as **climate change**. And, incidentally, our research effort is continuing to pin down what many scientists have said is a link between extreme weather events -- not only in this country, but in other

mining, electric utilities and hazardous waste treatment centers that use substances like mercury, lead and arsenic -- will now be subject to the Community Right to Know law. Today, more information will be required from 700 companies already providing information under the law. It will be more accessible to Americans. And today we set in motion a process that will guarantee that all the stakeholders -- including citizens, community groups, environmental groups and businesses -- will have opportunities to work together from now on to continue to improve this law.

By expanding Community Right to Know we're giving Americans a powerful, very powerful early warning system to keep their children safe from toxic pollution. We're giving them the most powerful tool in a democracy: knowledge. We are truly living up to the promise of Earth Day.

I also want to say a special word of thanks to Katie McGinty for the work that she has done on this, and the White House. And I want to thank the Vice President for taking my place at the Earth Day celebration at Anacostia today, to talk about Community Right to Know and for all of his work on the environment.

And just let me say in closing, with regard to the comments he made about **climate change** and the possible impact it may have had on the enormous number of highly disruptive weather events that have occurred just since we've been here in the last four years and a few months, I think it is very important that we continue to intensify our government's research efforts in this regard and that we take the very best knowledge we have and bring it to bear on a lot of the decisions we'll be having to make together as a country over the next four years.

We do not know, as the Vice President said, for sure that the warming of the earth is responsible for what seems to be a substantial increase in highly disruptive weather events; but many people believe that it is and we have to keep looking into it. We have to find the best scientific evidence we have and we have to keep searching for the answers to this. I think every American has noticed a substantial increase in the last few years of the kind of thing we're going to see in North Dakota today. And if there is a larger cause which can be eased into the future, we ought to go after that solution as well. Thank you.

Q Is a Marshall Plan appropriate? Your Chief of Staff suggested yesterday it may take a Marshall Plan to help North Dakota.

THE PRESIDENT: You know, we've had -- I suppose because North Dakota is not highly populated we may -- we've had disasters which have affected more people. But I believe that probably this is the highest percentage of people in any state or community that I have seen affected by this. And, you know, if you look at Grand Forks you see a place that literally has to be completely rebuilt, or people have to reconstitute their lives elsewhere. So I do believe that we're going to have to be prepared to be very creative here.

The Congress has shown in the past, even when it was quite costly -- after the earthquake in California, for example -- that we can unite across party lines to do what has to be done. We need to take a hard look at this. This situation in North Dakota is virtually unprecedented in many, many ways and I want to go out there, make sure that I have read all the information available, talk to the people there, see for myself and then I'll come back and, along with the Congressional delegation with Senator Dorgan and Senator Conrad and Congressman Pomeroy, we'll put our heads together and see where we go from here.

Q Any idea, Mr. President, on how much money it might take and will it be there when you need it?

THE PRESIDENT: I think, as I said, my experience in dealing with the flood in the middle west and all the disasters in California, the Pacific northwest, the floods in the southeast, is that Congress finds a way. And I think everybody in America has been totally overwhelmed by what we have seen on television and seen in the news reports -- these pictures of buildings completely surrounded by water, burning down. You know, I think it's been an overwhelming experience. I think the American people are with the people of North Dakota and I think we'll do what we have to do.

Q Mr. President, are you making any tangible headway on the Chemical Weapons treaty, on getting the votes for the Chemical Weapons treaty?

THE PRESIDENT: Well, I hope so. We're working hard on it. We are working very, very hard on it -- I am, the Vice President is, everyone in our administration is. I worked over the weekend some on it. We're doing the best we can to put together a strong case. I think the fact that we have come up with a package of 28 clarifying amendments that respond to 90 percent of the objections, even of the strongest opponents of the treaty, I think shows the good faith in which we have proceeded. And we've worked very hard on this and I'm actually quite optimistic.

Q Have you talked to Senator Lott?

Q -- for Saddam Hussein and honoring the no-fly zone?

THE PRESIDENT: Well, my message is that we support people in exercising their religious liberties and in living out their religious convictions everywhere in the world. And we certainly support that in the Muslim world. But we don't want to see religion, in effect, used and distorted in a way to try to avoid the international obligations that are imposed. And we intend to continue to observe the no-fly zone and continue to support the embargo until he lives up to the conditions of the United Nations resolutions.

END

9:19 A.M. EDT

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White House Press Release

STATEMENT BY THE PRESIDENT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 1, 1996

STATEMENT BY THE PRESIDENT

Today I have signed into law H.R. 3816, the "Energy and Water Development Appropriations Act, 1997."

The Act provides \$20 billion in discretionary budget authority for programs of the Department of Energy (DOE), portions of the Interior and Defense Departments, the Army Corps of Engineers (Corps), and several smaller agencies.

The Act provides \$11.4 billion for atomic energy defense programs, \$0.3 billion above my request. I am disappointed that the Congress has funded unrequested increases for nuclear weapons management and related programs, while curtailing investments in important civilian activities. Nevertheless, I am pleased that the Act will provide for a significantly enhanced Science-Based Stockpile Stewardship and Management program that will continue DOE's strong commitment to ensuring the safety and reliability of the nuclear weapons stockpile. This Act will also enable the Defense Environmental Restoration and Waste Management program to aggressively address the environmental legacy of previous weapons activities.

I am pleased that the Congress dropped a provision that would have made funding for the nuclear waste management program contingent upon congressional passage of a subsequent authorization bill. This language could have led to the immediate suspension of ongoing work at the Yucca Mountain site.

I am also pleased that the Congress provided \$45 million to the International Nuclear Safety program, which assists nations of the former Soviet Union and Eastern Europe in improving the safety of Soviet-designed nuclear reactors.

I am disappointed that the Act cuts \$93 million from my request for solar and renewable energy research programs. Investments in the development of advanced renewable energy technologies, which have a large potential export market, will create new jobs and reduce pollution, thereby addressing **climate change** and protecting human health and the environment. I am also concerned by the cuts in funding for DOE departmental

administration and program direction in civilian research and defense programs that may jeopardize the Department's ability to perform its missions and maintain its financial management responsibilities.

I am disappointed that the Act includes over \$210 million in unrequested funds for Corps' construction, studies, and operation and maintenance programs. The Congress should have used these funds to restore reductions it made to other priority DOE and Corps programs, such as the Corps' wetlands regulatory program.

WILLIAM J. CLINTON

THE WHITE HOUSE,
September 30, 1996.

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White House Press Release

REMARKS BY THE PRESIDENT AT WHITE HOUSE CONFERENCE ON CLIMATE CHANGE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 19, 1993

REMARKS BY THE PRESIDENT AT WHITE HOUSE CONFERENCE ON CLIMATE CHANGE

The South Lawn

12:27 P.M. EDT

THE PRESIDENT: Ladies and gentlemen, first let me thank you all for being here and thank the Vice President, the Cabinet, our Science Advisor, Katie McGinty and others who worked so hard on this policy. If I might begin by just observing -- I was looking at the clouds hoping we didn't have too much of a climate change this morning before the event could unfold.

This is an issue which has been of great concern to me for a long time. When I decided to seek this office back in 1991, I did it after having spent more than a decade as a governor, deeply frustrated by what seemed to me too often to be inevitable, persistent, aggravating conflicts between the impulse to promote economic opportunity for the people that I represented and the clear obligation -- the moral obligation -- on all of us to try to preserve this planet that we all share.

And anyone with eyes to see could look down the road and recognize that, even with imperfect scientific knowledge, at some point the impulse to give people something to do would have to be reconciled with the obligation to preserve the planet that we all share. And that if there were ways, through the use of technology, and partnerships and ingenuity to actually enhance economic opportunities while preserving the planet, how much better off we would all be.

That is what we have sought to do in this administration. The Vice President outlined the number of things

that we have tried to do to move the environmental agenda forward, and at the same time move our economy forward. I remember so well the sort of shocking, but bracing and reinforcing feeling I had the first time I began to go to New Hampshire, which is what you have to do in this country if you want to ultimately become president, to find that people just living their own lives in what was in a very economically depressed state also believed that we could find a way, and that we had to find a way to pursue our economic objectives and fulfill our moral responsibilities to have an aggressive and responsible program about the environment.

That cannot be done unless we change our attitude about what we put into our atmosphere and how we respect the air we breathe. That requires us to meet head-on the serious threat of **global warming**. I made a commitment to do that on Earth Day this year, to make a commitment to an approach that would draw on the most innovative people we could find in this country, whether they were in business, labor, government, or the environmental movement, to turn this challenge into an opportunity, and that's what this report seeks to do.

It seeks to give the American people the ability to compete and win in the **global** economy while meeting our most deep and profound environmental challenges. We have begun the task of linking our economy to the environment today in what I believe is a truly extraordinary fashion. And I think if all of you read the plan in its exquisite and sometimes mind-bending detail, you will see that it is a very aggressive and very specific first step. I would argue the most aggressive and the most specific first step that any nation on this planet has taken in the face of perhaps the biggest environmental threat to this planet.

The task is accomplished primarily by harnessing private market forces, by leveraging modest government expenditures to create a much larger set of private sector investments. And by establishing new public-private partnerships to bring our best research and our best technologies. This plan takes the environmental debate where it should have been years ago -- beyond the confrontation over ideology to a conversation about ideas. Beyond polemics to real progress.

On Earth Day I made a commitment to reduce our emissions of greenhouse gases to 1990 levels by the year 2000. And I asked for a blueprint on how to achieve this goal. In concert with all other nations, we simply must halt **global warming**. It is a threat to our health, to our ecology and to our economy.

I know that the precise magnitude and patterns of climate change cannot be fully predicted. But **global warming** clearly is a growing, long-term threat with profound consequences. And make no mistake about it, it will take decades to reverse. But the first step is before us today. And because most of our recommendations do not require legislation, something which will doubtless please the Congress with all the burdens they have already on their plate, we can take action on our plan beginning today. This plan is the result, as the Vice President has said, of genuine collaboration, based on solid scientific and economic analysis, including funding to back up each and every proposal it contains. Like the announcement of our clean car initiative last month, this approach to **global warming** encourages public-private cooperation across a spectrum of economical, technological and environmental questions.

There are 50 separate initiatives in this plan, touching every sector of our economy because the problem, frankly, affects every sector of the economy. There are measures to improve energy efficiencies in commercial buildings and to make better household

appliances. There are new agreements with public utilities to reduce greenhouse gasses and new public-private ventures to increase the efficiency of industrial motors.

The plan will make it possible for all Americans to purchase appliances unlike any we own today. When your furnace dies or your washer breaks, you'll be able to go to a local store and buy a new appliance much more efficient than any you can buy today, and one that will save money in its operation. The energy savings we achieve will lower the cost of doing business in America, and make us more competitive on the world market and more prosperous here at home. And the investments generated by this plan will create jobs in the sectors that make, install, and use energy efficient and pollution-cutting technologies.

Finally, to meet the challenge of **global warming**, as I have said, with regard to cutting the deficit and reforming health care and in so many other areas, we, frankly, must all take some more personally responsibility. We will all benefit environmentally and economically from the actions we are proposing today, and it will take all of us to make this plan work. So I say to all the American people, if your utility offers you help in conserving energy in your own home, seize it. If you own a business and the EPA offers you a chance to join the Green Lights program, do it. If you run a factory and the Department of Energy offers you a plan to help install an efficient motor system, use it. You will save money and you will help your country and your fellow citizens.

This plan isn't designed for an archive; it's designed for action. For rapid implementation, constant monitoring, and for adjustments as necessary to meet our goals. It's part of a longrange strategy th White House to identify and implement those policies which will continue the trend of reduced emissions.

The action plan reestablishes the United States as a world leader in protecting the **global** climate. I urge other industrial countries to move rapidly to produce plans as detailed, as realistic and as achievable as ours. This initiative gives us a chance, a very, very good chance to reduce greenhouse gases, grow our economy, and create a new high-skilled, high-wage job based in America.

We take pride here in this country in the love we have for our land, in our leadership among nations, in our ability to set new goals and solve new challenges. Today, we have given life to those values again. And through them, we will help to build a healthier environment and a stronger economy for decades to come.

We also will help to meet our moral obligation to ourselves, our neighbors around the world, and most important, to our children. Thank you very much. (Applause.)

END12:36 P.M. EDT

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White House Press Release

REMARKS BY THE PRESIDENT IN EARTH DAY SPEECH

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 21, 1993

REMARKS BY THE PRESIDENT IN EARTH DAY SPEECH

U.S. Botanical Gardens
Washington, D.C.

11:50 A.M. EDT

THE PRESIDENT: Thank you very much, ladies and gentlemen, for being here in the wonderful Botanical Gardens. I must say there's a lot I have to learn about this town, as you can tell if you follow events from day to day. And I didn't know that the Botanical Gardens was a branch of the Congress until I showed up here. (Laughter.) Just one more thing I'm not responsible for -- I'm glad to be here. (Laughter.)

I also think that we should introduce a guest from another country who is here with us -- the Environmental Minister from Australia, Roz Kelly. Would you stand up? We're glad to have you here. (Applause.)

Al Gore introduced Katie McGinty, and you were all good enough to clap. And I don't know if you could hear through the clapping that her parents are here. And what you may not know is that the real reason we appointed her is that she's one of 10 children and we'd like to carry Pennsylvania in 1996. (Laughter.) We think that there's a significant likelihood now because of that.

I want to say a special word of thanks to the Vice President for two things -- first of all, for the wonderful trip that he has just concluded, going to Poland to represent our country on the occasion of the 50th anniversary of the Warsaw Uprising, and the wonderful remarks he gave in New York on the eve of that departure and the way that he represented the United States in Poland. And secondly, notwithstanding what he said in the introduction, which was true -- (laughter) -- one of the reasons I did ask him to join the ticket is that he knew more about the subject of the environment than I did and I thought I had something to learn from him. And I have learned a great deal, and it has been an immensely rewarding

experience and one which I hope will benefit the United States in many ways over the course of the next four years.

That's worth clapping for -- I agree with that, don't you think? (Applause.)

It's a good thing to have this celebration in the springtime, a time when our spirits are renewed and we are reminded by nature of new beginnings and forgotten beauty. This has been an astonishingly beautiful spring in Washington, D.C., and something for which I will always be grateful -- my first springtime here that I see every morning as I go out and jog around in it and try to breathe in it -- something that is a continuing challenge. (Laughter.)

A little more than a week ago, most Americans celebrated holy days of freedom and renewal. Today, we still nurture the faith that helps us to understand more clearly that we can do better. This is a time of new beginnings, a time when there is anguish and anxiety all around us, but we still must yearn once again to succeed in our common purposes to reach our deepest goals.

For all of our differences, I think there is an overwhelming determination to **change** our course, to offer more opportunity, to assume more responsibility, to restore the larger American community, and to achieve things that are larger than ourselves and more lasting than the present moment. We seek to set our course by the star of age-old values, not short-term expediencies; to waste less in the present and provide more for the future; to leave a legacy that keeps faith with those who left the Earth to us.

That is the American spirit. It moves us not only in great gatherings, but also when we stand silently all alone in the presence only of nature and our Creator.

If there is one commitment that defines our people, it is our devotion to the rich and expansive land we have inherited. From the first Americans to the present day, our people have lived in awe of the power, the majesty and the beauty of the forest, the rivers, and the streams of America. That love of the land, which flows like a mighty current through this land and through our character, bursts into service on the first Earth Day in 1970.

When I traveled the country last year, I saw and spoke of how much had been accomplished by the environmental movement since then and how much still remains to be done. For all that has been done to protect the air and the water, we haven't halted the destruction of wetlands at home and the rain forest abroad. For all that has been learned, we still struggle to comprehend such dangers to our planet's delicate environment as the shroud of greenhouse gases and the dangerous thinning of the ozone layer. We haven't done nearly enough to protect our forest communities from the hazards, such as lead poisoning, which is believed to cause mental retardation, learning disabilities, and impaired growth.

Unless we act, and act now, we face a future where our planet will be home to nine billion people within our lifetime, but its capacity to support and sustain our lives will be very much diminished. Unless we act, we face the extension of untold numbers of species that might support our livelihoods and provide medication to save our very lives. Unless we act now, we face a future in which the sun may scorch us, not warm us; where the **change** of season may take on a dreadful new meaning; and where our children's children will inherit a planet far less hospitable than the world in which we came of age. I have a faith that we will act, not from fear, but

from hope and through vision.

All across this country, there is a deep understanding rooted in our religious heritage and renewed in the spirit of this time that the bounty of nature is not ours to waste. It is a gift from God that we hold in trust for future generations. Preserving our heritage, enhancing it, and passing it along is a great purpose worthy of a great people. If we seize the opportunity and shoulder the responsibility, we can enrich the future and ennoble our own lives.

Just as we yearn to come together as a people, we yearn to move beyond the false choices that the last few years have imposed upon us. For too long we have been told that we have to choose between the economy and the environment; between our jobs; between our obligations to our own people and our responsibilities to the future and to the rest of the world; between public action and private economy.

I am here today in the hope that we can together take a different course of action, to offer a new set of challenges to our people. Our environmental program is based on three principles. First, we think you can't have a healthy economy without a healthy environment. We need not choose between breathing clean air and bringing home secure paychecks. The fact is, our environmental problems result not from robust growth, but from reckless growth. The fact is that only a prosperous society can have the confidence and the means to protect its environment. And the fact is healthy communities and environmentally sound products and services do best in today's economic competition.

That's why our policies must protect our environment, promote economic growth, and provide millions of new high-skill, high-wage jobs.

Second, we want to protect the environment at home and abroad. In an era of **global** economics, **global** epidemics and **global** environmental hazards, a central challenge of our time is to promote our national interest in the context of its connectedness with the rest of the world. We share our atmosphere, our planet, our destiny with all the peoples of this world. And the policies I outline today will protect all of us because that is the only way we can protect any of us.

And, third, we must move beyond the antagonisms among business, government and individual citizens. The policies I outlined today are part of our effort to reinvent government -- to make it your partner and not your overseer -- to lead by example and not by bureaucratic fiat.

In the face of great challenges, we need a government that not only guards against the worst in us, but helps to bring out the best in us. I know we can do this because our administration includes the best team of environmental policymakers who have ever served the United States: the Vice President, Interior Secretary Babbitt, EPA Administrator Browner -- and I hope that the EPA will, soon, by the grace of Congress, be a Cabinet-level department -- and Energy Secretary O'Leary, Commerce Secretary Brown, Transportation Secretary Pena, the Agriculture Secretary Mike Espy, our Environmental Policy Director Katie McGinty, and our Science and Technology Advisor Jack Gibbons. All of them share an unshakable commitment to a healthy environment, a growing economy and a responsive government.

Our economic plan will create new job opportunities and

new business opportunities, protecting our natural environment. The reductions in the interest rates which we have seen already will free up tens of billions of dollars for responsible investments in this year alone.

The jobs package I have asked the Congress to pass contains -- this is hardly been noticed, but it actually contains green jobs from waste water treatment to energy efficiency, to the restoration of our national parks, to investments in new technologies designed to create the means by which we can solve the problems of the future and create more jobs for Americans.

Our long-term strategy invests more in pollution prevention, energy efficiency, and solar energy, in renewable energy, and environmental restoration, and water treatment -- all of which can be found in the five-year budget that we have presented to the Congress.

These investments will create tens of thousands of new jobs, and they will save tens of thousands more. Because when we save energy and resources we will have more to invest in creating new jobs and providing better living standards. Today every other advanced nation is more energy efficient than we are. That is one of the reasons why over the last couple of years, for example, the average German factory worker has come to make over 20 percent more than his American counterpart; that German workers, while having higher wages, also have more secure and better healthcare. That's because that economy uses one-half the energy we do to produce the same amount of goods. We can do better and we will.

I believe we can develop the know-how to out-conserve and out-compete any one else on Earth. All over the world people are buying products that help them to protect their environment. There's a \$200-billion market today for environmental technologies. And by the turn-of-the-decade in the century, it will be \$300 billion.

Let me just share one example with you -- something we all know and use and something some of us are still trying to learn how replace: light bulbs. Long-lasting energy-saving light bulbs didn't even exist in 1985. Now American companies sell over \$500 million worth of these products, with sales expected to reach \$2 billion by 1995 and \$10 billion by the year 2000, creating thousands of new jobs. American scientists have taken the lead in developing these technologies, and it's time to help our companies take the lead in bringing out products and services to market.

I've asked the Energy Department, the Commerce Department, and the EPA to assess current environmental technologies and create a strategic plan to give our companies the trade development, promotional efforts and technical assistance they need to turn these advances into jobs here in America, as well as to help promote a better environment. America can maintain our lead in the world economy by taking the lead to preserve the world environment.

Last year, the nations of the world came together at the Earth Summit in Rio to try to find a way to protect the miraculous diversity of plant and animal life all across the planet. The Biodiversity Treaty which resulted had some flaws, and we all knew that. But instead of fixing them, the United States walked away from the treaty. That left us out of a treaty that is critically important not only to our future, but to the future of the world. And not only because of what it will do to preserve species, but because of opportunities it offers for cutting-edge companies whose research creates new medicines, new products, and new jobs.

Again, just one recent example makes the point. A tree that was thought to have no value, the Pacific Yew, used to be bulldozed and burned. Now we know that that tree contains one of our most promising potential cures for ovarian cancer, breast cancer and other forms of cancer. We cannot walk away from challenges like those presented by the Biodiversity Treaty. We must step up to them.

Our administration has worked with business and environmental groups toward an agreement that protects both American interests and the world environment. And today, I am proud to announce the United States' intention to sign the Biodiversity Treaty. (Applause.)

This is an example of what you can do by bringing business and environmentalists together, instead of pitting them against each other. We can move forward to protect critical natural resources and critical technologies. I'm also directing the State Department to move ahead with our talks with other countries which have signed the convention so that the United States can move as quickly as possible toward ratification.

To learn more about where we stand in protecting all our biological resources here at home, I'm asking the Interior Department to create a national biological survey to help us protect endangered species and, just as importantly, to help the agricultural and biotechnical industries of our country identify new sources of food, fiber and medication. (Applause.)

We also must take the lead in addressing the challenge of **global** warming that could make our planet and its **climate** less hospitable and more hostile to human life. 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. (Applause.)

I am instructing my administration to produce a costeffective plan b emission. This must be a clarion call, not for more bureaucracy or regulation or unnecessary costs, but instead, for American ingenuity and creativity, to produce the best and most energy-efficient technology.

After the Cold War, we face the challenge of helping Russia achieve a healthy democracy, a healthy economy, and a healthy environment. Our Russian aid package includes \$38 million to clean up pollution and promote better uses of energy. As with the full range of our investments in Russia, this is truly an investment not only in promoting our own values, but in protecting our national security. To protect the environment at home and abroad, I am committed to a government that leads by example, brings people together, and brings out the best in everyone. For too long our government did more to inflame environmental issues than to solve them. Different agencies pursued conflicting policies. National leaders polarized people. And problems wound up in the courts or in the streets instead of being solved.

We seek to bring a new spirit to these difficult issues. Three weeks ago in Portland, Oregon, we brought together business people, timber workers, and environmentalists from throughout the Northwest to discuss how best to preserve jobs and to protect the old-growth forests and the species which inhabit them. People sat down in a conference room, not a court room, and in the words of Archbishop Thomas Murphy of Seattle, we tried to find common ground for a common good. At the close of that forest conference, I asked my Cabinet and our entire administration to begin work immediately to craft a balanced, comprehensive long-term policy that is also comprehensible.

Before I ask our companies and our communities and our families to meet any challenge, it seems to me we have to set that standard for the government. The American people are entitled to know where the United States stands on this issue and many other issues. And it is time to bring and end to the time when issues like this wind up in court and there are five different positions from the United States government itself. We can never solve problems in that fashion. We can only undermine the security and stability of people's lives.

That's one reason I am proud that yesterday the United States Army announced its plan to clean up a large number of sites where we learned recently that chemical weapons materials may be buried, in some places from as long ago as World War I. Working with the EPA, the Army will clean up this problem safely and in an environmentally-sound manner.

This is a legacy of America's efforts to defend our people and the community of free nations. Now, we are taking steps to defend our people and our environment and the environment of the world. In that same spirit, I plan to sign an executive order requiring federal facilities that manufacture, process or use toxic chemicals, to comply with the federal right-to-know laws, and publicly report what they are doing. (Applause.)

I might add that it is time that the United States government begins to live under the laws it makes for other people. With this executive order, I ask all federal facilities to set a voluntary goal to reducing their release of toxic pollutants by 50 percent by 1999. This will reduce toxic releases, control costs associated with cleanups, and promote clean technologies. And it will help make our government what it should be -- a positive example for the rest of the country. (Applause.)

Poor neighborhoods in our cities suffer most often from toxic pollution. Cleaning up the toxic wastes will create new jobs in these neighborhoods for those people and make them safer places to live, to work, and to do business.

Today, I am also signing an executive order that directs federal agencies to make preliminary **changes** in their purchasing policies, to use fewer substances harmful to the ozone layer. Here, too, we must put our actions where are values are. Our government is a leading purchaser of goods and services. And it's time to stop not only the waster of taxpayers' money but the waste of our natural resources.

Today I am signing an executive order which commits the federal government to buy thousands more American made vehicles, using clean, domestic fuels such as natural gas, ethanol, methanol, and electric power. This will reduce our demand for foreign oil, reduce air pollution, promote promising technologies, promote American companies, create American jobs, and save American tax dollars. To demonstrate my commitment to this issue, Energy Secretary O'Leary is creating a task force led by the Land Commissioner of Texas, Gary Mauro, who is here in the audience today, who has headed a successful effort in his own state. I hope we can do as well in America as they have done in Texas. (Applause.)

In that same spirit, I plan to sign an executive order committing every agency of the national government to do more than ever to buy and use recycled products. This will provide a market for new technologies, make better use of recycled materials, and

encourage the creation of new products that can be offered to the government, to private companies, and to consumers. And again, it will create jobs through the recycling process.

We must keep finding new ways to be a force for positive **change**. For example, the federal government is the largest purchaser of computer equipment in the world, and computers are the fastest growing area of electricity use. That's why I am also signing an executive order today requiring the federal government to purchase energy-efficient computers. We're going to expand the market for a technology where America pioneered and still leads the world, and we'll save energy, saving the taxpayers \$40 million a year, and set an example for our country and for the world.

For as long as I live and work in the White House, I want Americans to see it not only as a symbol of clean government, but also a clean environment. That's why I'm announcing an energy and environmental audit of the White House. We're going to identify what it takes to make the White House a model for efficiency and waste reduction. It might mean fewer memos and less paper.

(Laughter.) And then we're going to get the job done. I want to make the White House a model for other federal agencies, for state and local governments, for business, and for families in their homes. Before I ask you to do the best you can in your house, I ought to make sure I'm doing the best I can in my house. (Applause.)

I ask that all of us today reaffirm our willingness to assume responsibility for our common environment, and to do it willingly, hopefully, and joyously. We are challenged here today not so much to sacrifice as to celebrate and create. I've challenged Americans who are young in years or young in spirit to offer their time and their talent to serve their communities and their country. I've asked them to help in teaching our children, healing the sick, policing our streets.

But equally important are efforts to protect our environment -- from our largest cities to our smallest towns to our suburbs. Our National Service Plan will ask thousands of Americans to do their part, from leading recycling drives to preventing lead poisoning.

The challenge to shoulder responsibility and seize opportunity extends to each of us in business, communities, and homes. In our own lives, in our own ways, each of us has something to offer to the work of cleaning up America's environment. And each of us surely has something very personal to gain.

On a colder day in the middle of winter, just three months ago, a poet asked us to celebrate, not only the marvelous diversity of our people, but the miraculous bounty of our land. "Here on the pulse of this new day," Maya Angelou challenged us to look at, "the rock, the river, the tree, your country." Now, it is a season of new hope and new beginnings. And as we look anew at our neighbors, our children and our own communities, as well as the world around us, we must seize the possibilities inherent in this exhilarating moment; to face our challenges, to exercise our responsibilities, and to rejoice in them.

Thank you very much. (Applause.)

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White House Press Release

Remarks by Vice President Al Gore at the United Nations General Assembly Special Session on the Environment and Development New York, NY

THE WHITE HOUSE

Office of the Vice President

FOR IMMEDIATE RELEASE

Monday, June 23, 1997

Remarks by Vice President Al Gore
at the United Nations General Assembly Special Session
on the Environment and Development
New York, NY
June 23, 1997

Thank you. Thank you very much. Thank you, President Cardoso, thank you for the magnificent way in which your country hosted the Earth Summit in 1992 and thank you for your inspiring remarks. Thank you, President Razali, for your personal commitment to this process dating back to the very beginning. You presided over the first meeting of the Commission on Sustainable Development which I had the pleasure to attend, and I thank you very much for the courtesy of being able to address this gathering this morning. And thank you, Mr. Secretary-General. We are extremely grateful for your hard work and dedication to the future of the United Nations.

Esteemed colleagues, ministers, ladies and gentlemen, on behalf of President Clinton and the American people, welcome to New York and to this important session marking the fifth anniversary of the UN Conference on Environment and Development.

Five years ago, world leaders and concerned citizens from around the world gathered in Rio to chart a course called sustainable development. This week we measure our progress asking how successful we have been and how to do better.

In the past five years we have made much progress. We have negotiated international agreements to protect critical fish stocks, ban ocean dumping of nuclear waste and stem land based sources of marine pollution. We have forged a new global consensus on population and gender equality. We know that women's empowerment -- education, health care and economic opportunity -- is essential to building a healthy future. We have fostered democracy and increased stability around the world. We have witnessed a dramatic and inspiring rise in environmental

awareness around the globe. Non-governmental organizations are active and involved, invigorating their democracies while protecting the environment. Private capital flows are skyrocketing, bringing with them the promise of economic growth and better tomorrows. And increasingly, the private sector is becoming an active and welcome partner in sustainable development. We have new and better tools to promote sustainable development. From the Internet to satellite energy, technology is opening new vistas in our efforts to improve the lives of people around the world.

And yet, enormous challenges remain. Many of the goals of Rio remain to be achieved. Take, for example, the two critical issues of **climate change** and forests. Today greenhouse gas emissions continue to rise at record rates. Unless we **change** course, during the lives of our grandchildren, concentration of these gasses in the atmosphere will reach levels not seen on this planet for more than 50 million years. Scientists warn, as a result of sea-level rise, of more severe droughts and floods, loss of forest cover and the spread of infectious diseases.

Kyoto presents a critical opportunity for the world to forge an agreement with binding emissions limits, flexibility in meeting those targets and the participation of all nations. We must act. Forest loss is occurring at dramatic levels; only slightly below those witnessed during the 1980's. The consequences for human well-being, social stability, biodiversity, soil stability, water quality and **climate change** are extremely serious. We must reverse these trends. In the words of a president of my country early in this century, Theodore Roosevelt, "We must safeguard our forests as we keep a great and beautiful cathedral."

Today more than one billion of the Earth's citizens live in abject poverty and more than two billion lack access to sanitation. In too many places, poverty breeds environmental degradation, and environmental degradation, in turn, breeds poverty. We have learned that there are no easy answers or quick fixes. The road to sustainable development requires a sustained commitment and conviction. It needs imagination and ingenuity. It demands engagement and enterprise from us all.

Our task for the coming days must be to chart the course for the years to come. We must unite in our resolve to meet the challenge of **climate change**. We must work to protect the world's forests by creating a follow-up mechanism to the Intergovernmental Panel on Forests that produces on-the-ground results, not new negotiations. We must capitalize on the upcoming Year of the Ocean to protect the marine environment and we must establish a coordinated approach to addressing the problems plaguing freshwater resources around the globe.

In short, we must roll up our sleeves and go to work. These are no small tasks but we must make sustainable development a guiding principle of the 21st century. Thank you.

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White House Press Release

PREPARED REMARKS OF VICE PRESIDENT AL GORE

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 12, 1996

PREPARED REMARKS OF VICE PRESIDENT AL GORE

American Association for the Advancement of Science
Baltimore, MD

The Technology Challenge:
What is the Role of Science in American Society?

Over the next three days, I will be delivering three speeches on America's technology challenges. Tomorrow, in Virginia, I'll ask: How must we update our notions of self-government and bring them into harmony with the Information Age? On Wednesday, in Philadelphia, I'll celebrate the 50th anniversary of the ENIAC computer and ask: Are we providing the spark to ignite private innovation, new industries, and better jobs?

But today, before this extraordinary collection of minds, I'll ask the question that in many ways must precede the others: What is the role of science in American society? Why does science matter anyway?

These are complex questions. And no one person has all the answers. I certainly don't. In fact, before I proceed further this morning, I want to recalibrate your expectations. As you listen during the next half-hour, feel free to think our session as a biology class. But don't think of me as the professor. Think of me as the frog.

So let me begin by describing a deep -- but little noticed -- **change** in the pond of our public life. Not too long ago, the metaphors of science migrated easily to the realm of political and economic affairs. In previous generations, the logic and lingo of science -- from Newtonian physics to the industrial science of Frederick Taylor -- informed our public conversation. But not today -- or at least not

very often. When when I day that our current, chaotic political culture reminds me of Ilya Prigogine -- that because our system has more and more energy coming in, it will eventually reorganize itself into a complicated and unpredictable new system . . . nobody has a clue what I'm talking about.

As a result, the language we use to discuss public problems is less vivid and less robust than it ought to be. Chaos theory may offer clues for when government should intervene in the economy. Economic policy perhaps should focus less on "priming the pump" -- and more on "imprinting the DNA." Evolution could offer insight into our social structures. But at the moment, we lack the vocabulary to even begin such discussions.

We either avoid scientific metaphors altogether -- or we lean against the crutch of Industrial Age metaphors that are splintering with age. In particular, we continue to rely on the metaphor of the factory -- of mechanized mass production -- well after it has exhausted much of its supportive force.

So today, in the spirit of academic inquiry, let me propose an alternative metaphor . . . an updated metaphor . . . a metaphor more appropriate to the times and more muscular in its power to explain. It is the metaphor of distributed intelligence.

In the beginning of the mainframe computer era, computers relied almost totally on huge central processing units surrounded by large fields of memory. The design was much like a mass-production factory. The CPU would send out to the field of memory for raw information that needed to be processed, bring it back to the center, do the work, and then distribute the answer back into the field of memory. This technique performed certain tasks well -- especially those that benefited from a rigid hierarchy or that depended on the outer reaches only for rote tasks.

Then along came a new architecture called massive parallelism. This broke up the processing power into lots of tiny processors that were then distributed throughout the field of memory. When a problem was presented, all of the processors would begin working simultaneously, each performing its small part of the task, and sending its portion of the answer to be collated with the rest of the work that was going on. It turns out that for most problems, this approach is more effective.

But somehow this idea, revolutionary as it was in the computer world, never travelled to other regions of our life -- and didn't come anywhere near politics. And that's a shame. Because in the realm of politics or economics or public policy, the metaphor of distributed intelligence has enormous explanatory power. It offers an insight into why democracy has triumphed over governments that depended exclusively on a central authority. And it illuminates why private sector organizations are shedding their middle layers and pushing power, information, and influence to frontline workers. Taken a step further, it even helps explain phenomena as diverse as virtual communities on the Internet and television programs like "America's Funniest Home Videos."

All of which raises a question much like the one Lily Tomlin

asked me last week when the President signed into law landmark legislation reforming American telecommunications. As I tried to explain something to her during the bill-signing ceremony, Lily -- actually, her character, Ernestine the operator -- asked me: If you know so much, how come you're not signing the bill? In other words, if this is such a great metaphor, why hasn't it taken hold?

Here's one possible explanation: I've got it wrong. Perhaps the metaphor of distributed intelligence simply isn't as powerful as I've claimed.

Here's another possibility: the increasing segmentation of society -- in particular, the segmentation of scientific disciplines. At their best, the scientific community and the university community embody the ideal of distributed intelligence. The great power of science derives in part from specialization into disciplines. But much of the power also comes from open criticism and communication across disciplines. Indeed, some of the most significant discoveries have emerged from the productive friction that occurs when different perspectives rub against each other and produce the spark of new insight. But if the physicists don't talk to the chemists, and the chemists don't talk to the economists, and if the economists don't talk to the climatologists, then distributed intelligence is more aspiration than reality. So a second explanation for the absence of this metaphor is that it describes a phenomenon that itself disappearing.

Finally, here's a third possibility why the notion of distributed intelligence has not migrated to our public conversation: the growing disconnect between science and democracy. Walk through the halls of Congress, and you'll see the Gucci loafers of corporate lobbyists, but not the white lab coats of American scientists. Page through a directory of members of Congress, and you'll find well over 150 lawyers, but only six scientists, two engineers, and one science teacher among the 535 people in the House and the Senate.

As a result, scientific concepts sometimes elude the vast majority of our elected officials. That is inherently unfortunate, because we want well-rounded leaders.

But let me dwell a moment about some of the harder-edged consequences -- in the hopes that it will solidify my case for this new metaphor: Lack of scientific understanding undercuts support for the pursuit of further understanding, which fosters deeper ignorance, which in turn further erodes support for battling that ignorance. It's a vicious cycle.

And it's already underway. Listen to what some members of Congress have been saying recently.

Two weeks after the Nobel Prize in chemistry was awarded to scientists for their work on ozone depletion, Texas Congressman Tom Delay said -- and I'm quoting -- "The science underlying the CFC ban is debatable." The agreement to terminate the use of CFC's, he said, was "the result of a media scare."

Congressman Delay also said that DDT was -- and I'm quoting -- "not harmful."

And just a few weeks ago at a hearing on clean drinking water, Oklahoma Congressman Tom Coburn said -- and I'm quoting once again to assure you I'm not making this up -- "I want to touch on cryptosporidium for a minute. . . this disease can sometimes be very helpful, because it helps us identify those who in fact are immune compromised."

These comments ought to send shivers up our spines, because they suggest that the lack of scientific metaphors is merely the symptom of a deeper disregard for science itself and further proof of the vicious cycle I mentioned a few moments ago.

And that's precisely the opposite of how it should work in America. For much of this century, Americans have benefited from a virtuous circle -- a virtuous circle of science and success. As the nation generated wealth, a portion of that wealth was invested in research, science, and technology. Those investments helped answer what seemed answerable -- and eventually spawned still greater wealth, which was then invested in still more research. On and on it went. In this virtuous circle -- launched with bipartisan agreement -- prosperity generated investment, investment generated answers, and answers generated further prosperity.

But now -- because of the woeful lack of knowledge that you just heard -- that virtuous circle risks coming undone. At the very moment a new age demands continued investments in science and technology, there are some in Congress threatening to turn the clock backward with the largest cuts in 15 years.

In their most recent budget, according to AAAS's own study, the Congressional leadership proposed reducing federal funding for science and technology by one-third by the year 2002, adjusted for inflation. And get this: several years after the Cold War ended, defense R & D is going up, while civilian R&D is going down. More for Star Wars, less for environmental research. At the very moment **global** economic competition and **global** environmental degradation demand civilian research and the technologies it often produces, this Congress is proposing the sharpest cuts in nondefense research since America was fighting World War II.

This organization's study a few months ago laid out the numbers plain and simple. The only investment the Congress wants to increase was in health sciences. And that's great. But in almost every other realm, they're approaching science with all the wisdom of a potted plant.

Research on issues that will affect the health of our children, the condition of our planet, and the vibrancy of our economy -- risks being slashed to the bone. **Global** warming . . . down. Supercomputers . . . down. Nuclear nonproliferation . . . down. New materials . . . way down. Solar energy . . . way down. Environmental satellites . . . down. Water quality . . . down.

It's like they're living in a gravity-defying universe. Everything that ought to be up is down. Everything that ought to be open is closed. Their science policy is straight out of science

fiction. A few may talk like Johnny Mnemonic, but most support policies designed for Fred Flintstone. They promise to boldly go where no Congress has gone before, but their flight plan will take us into the ground.

President Clinton vetoed several of the bills containing these cuts -- but not before that other side shut down the government, and furloughed thousands of government scientists. And right now, several agencies -- in particular, the National Science Foundation -- are sputtering along with stopgap funding that makes it almost impossible to plan and difficult even to finance day to day activities.

But the saddest part is that it doesn't have to be this way. Last week, President Clinton proposed a budget outline that leads to the first balanced budget in seventeen years. And he gets there without compromising our values, without abandoning our commitments to education, the environment, and science and technology.

Of course we've got to balance the budget, but there's both a sensible path and a dangerous path that can take us there. Consider: federal investments in basic research now total 0.27 percent -- that's .0027 for any humanities majors in the crowd -- 0.27 percent of America's gross domestic product. That's considerably less than American households spend each year on pet food or breakfast cereal.

Only a few years ago, the United States -- public and private combined -- invested three percent of its GDP in research and development. Today, it's sunk to 2.6 percent. But if that weren't enough, consider the long-term consequences if these deep cuts are imposed: by the year 2000, for the first time in history, Japan will spend more on research and development than the United States, in real terms. Not more per capita, or more as a portion of their Gross Domestic Product. More. Period. Even though Japan's economy is considerably smaller than ours and its population is about half our size.

If our guiding metaphor is the factory, such proposals don't seem outlandish. After all, the goal of the factory is to crank out more and more of the same thing at a lower and lower cost. Shaving a little here and little there is smart business.

But if the guiding metaphor is distributed intelligence, such proposals are terribly misguided. Because distributed intelligence combined with this virtuous circle of riches and research is needed now more than ever, and has already made a difference in this country.

For instance, the discovery of the structure DNA led to new drugs for Lou Gehrig's disease. The Hubble Telescope, besides opening new vistas on our universe, helped produce to new treatments for breast cancer. A federally-supported agency, the National Academy of Sciences, sounded the first alarm that chloroflorocarbons were eroding the ozone layer. The MRI was a product of four separate discoveries in four separate fields of scientific inquiry. And the Human Genome Project is now determining the location and sequence of an estimated 100,000 human genes, and generating new strategies to battle illness and disease.

If we abandon our commitment to science, and fail to understand the power of distributed intelligence, this is what we risk losing -- the chaotic, convoluted, unpredictable breakthroughs that basic science produces.

But we also risk losing something even more significant, the effects of which could be even more tragic. We risk losing our children.

It would be tragic if the richest nation on the planet, through its inaction, told its own future that discovery doesn't matter. Anybody who has kids -- or remembers being one -- knows the ferocious curiosity that bubbles in our youngsters. Kids capture bugs and ask questions about clouds and wonder how cars work. Kids like you never stopped.

But if we extinguish that natural creativity with a fire hose of needless reductions -- if we broadcast an unending stream of signals that discovery doesn't matter, that science is for someone else -- then all of us will pay an emotional and financial price impossible to calculate. And if we fail to reform our schools -- away from the model of the factory and toward the model of distributed intelligence -- we will have only ourselves to blame.

Fortunately, President Clinton is trying to do better. On education, he's made real progress . . . launching direct student loans . . . opening the doors of college to more Americans . . . establishing education standards so every diploma means something . . . promoting education technology in the classroom . . . proposing a tax deduction for families' investments in higher education.

And on science and technology, he's also scored big -- in large part because he's fielded a scientific dream team. Jack Gibbons has become the most influential science advisor the White House has seen in a generation. Cabinet secretaries like Bruce Babbitt, Ron Brown, Carol Browner, Hazel O'Leary, and Donna Shalala have fought for a cleaner environment, a strong technology base, national laboratories, and health care research. Dan Goldin has helped take NASA to the stars, while keeping the costs here on Earth. And every layer of the Administration is peopled with women and men dedicated to discovery.

And that team has delivered results. We've extended the R&D tax credit for three years . . . lowered capital gains taxes for investments in emerging companies . . . scaled back the anti-trust barriers to joint ventures in research . . . beefed up protection of intellectual property, giving inventors real protections for their patents . . . boosted funding for the nation's flagship research agencies . . . launched an education technology initiative . . . established the National Science and Technology Council . . . supported research into **global climate change** . . . and ensured our environmental regulations meet the tests of common sense and cutting-edge science.

But we cannot do it alone. That is not how democracies work. And this is where you come in. Democracies, too, depend on distributed intelligence. And this democracy needs the sound of your voices and the dedication of your hearts. You must take up the call for knowledge. You must enlist in the army of persuasion whose battle cry says knowledge is important for knowledge's sake. Because when you say

something is important -- and you say it with enough force -- others might pay attention. But if you view your own pursuit of knowledge as divorced from the nation's pursuit of progress, both endeavors will fall short of their goals.

In a sense, at the edge of a new century, we have a choice of two paths. One path retreats from understanding, flinches in the face of challenges, and disdains learning. It's a know-nothing society -- a society in which the storehouses of knowledge dwindle, the spigots of discovery are twisted and turned off, and missions of exploration are stalled on the ground. This know-nothing society bases regulations on suspicion instead of science, says that DDT isn't harmful, and claims that **global** warming is the empirical equivalent of the Easter Bunny.

That's the path we will be forced onto if these Congressional cuts become the law of the land, because scattered throughout their proposals are cuts in funding -- and outright prohibitions on research. The guiding principle is an old saying applied to a modern nation: what we don't know won't hurt us. Trouble is, that's the recipe for destruction in a distributed intelligence society.

But there's another path -- infinitely brighter, considerably more American. It's a path on which government continues funding basic science and applied technology. It's path that keeps the virtuous circle of progress and prosperity alive and functioning. It's a path whose signposts say "education is a matter of national security," "environmental protection is a matter of national security." It's a path dotted with investments that open the doors of education to all our people. It's a path that applies what we've learned from science to the rest of our lives.

And it's a trail that's within our power to blaze. We have in our hands and our minds and our souls the power to create this learning society. That's partly what this year's presidential elections will be all about.

Last year, another President -- Chuck Vest, President of MIT -- decided to present his annual report as a series of questions his faculty told him were the most urgent ones in their fields. What he told us in that report underscores the need to deliver on these crucial investments in science and technology.

He reminded us that we don't know "which aspects of **climate change** are predictable." And we need to know.

We don't know "how best to use our information infrastructure and new media to promote learning among children." And we need to know.

We don't know "how to produce materials with no waste by-products." And we need to know.

We don't know "how to extract all the energy from existing fuel sources." And we need to know.

We don't know "how and why cells die." And we need to know.

We don't know "how know old the universe is, what it is made of, or what its fate will be; we do not understand what mechanism generates mass in the building blocks of matter." And we need to know.

We need to know these things. We need to understand these things. We need to discover these things.

We need to create a learning society, a society that harnesses the power of distributed intelligence and uses it to lift our lives. And as the very embodiment of that ideal, you have an obligation to help make it happen.

As always in America, it's possible -- but it's up to us. As always in America, it's possible -- because it's up to us. Let's get to work.

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the Green University Initiative, doing a great job, working to draft a model environmental audit plan that will establish practices that are both environmentally sound and cost-saving.

And, by the way, Happy St. Patrick's Day. This is one day out of the year you can't be accused of being too green. There couldn't be a better day to address the issue that I believe is the single most serious manifestation of the environmental crisis which now characterizes the radical change in the relationship between human civilization and the Earth's environment.

Two weeks from now, this issue of **global** climate change will be discussed by more than 120 different countries in Berlin as they begin the first conference of the parties for a framework convention on climate change. Since it's St. Patrick's Day, I thought I would begin a discussion of this issue by quoting an old Irish politician, Sir Boyle Roche*, who once asked in the last century, sarcastically, "Why should we put ourselves out of our way to do anything for posterity? For, what has posterity ever done for us?" That way of thinking would go over real well in this session of Congress. (Laughter and applause.)

Posterity is particularly relevant when talking about **global** climate change, because our actions today will have far-reaching implications for the environment that we leave to future generations. A commitment to posterity requires that we accept and understand this profound change in the nature of the relationship between human civilization and the ecological system of the Earth.

I mentioned a moment ago that in my view **global** climate change is a manifestation of that radical change in the fundamental relationship between civilization and the Earth. There are other manifestations -- the rapid destruction of forests, especially tropical rain forests; the unprecedented loss of living species at a rate that has not taken place on this planet since the disappearance of the dinosaurs so many tens of millions of years ago; the poisoning of air and water in many places on the Earth; and the degradation of important ecosystems, from the Aral Sea in Central Asia to the coral reef networks in shallow areas of the world's oceans.

All of these, including **global** climate change, are manifestations of this change in the relationship between human beings and the environment. This radical change has come about in the lifetimes of people gathered here in this auditorium because of a confluence of three factors. The first is the unprecedented explosion in the numbers of human beings around the world. We're adding the equivalent of one China's worth of people every 10 years. Still, we have begun to address a sensible plan of action to assist nations that wish to stabilize population growth. But the momentum built into the numbers themselves ensure -- ensures that the rapid growth will continue for quite sometime to come.

The second of these three factors is the acceleration of the scientific and technological revolution, which has vastly magnified the ability of the average human being to have an impact on the environment around him or her. To use an analogy, warfare is an ancient habit of human civilization. But the invention of nuclear weapons so completely transformed the consequences of all-out warfare as to require us to go back and think anew about that age-old habit. The Cold War was in part a result of that sobering reexamination of what all-out warfare would mean with these incredibly powerful new weapons.

But all of them taken together have transformed the consequences of all-out exploitation of the Earth, just as surely as nuclear weaponry transformed the consequences of all-out warfare. And so we must think anew about the way in which we go about exploiting the land and the sea and the air or the sustenance that we need to survive.

The third factor leading to this radical change is in some ways the most important. It is a philosophical shift in our way of thinking about the consequences of what we do to the environment, a change which has led too many people to assume that we need not take into account the future effects of our present actions.

All three of these factors together have created a change that we are attempting to come to grips with in sessions like the one in Cairo on population and sustainable development; sessions like the many which led to the Montreal Protocol to limit the introduction of ozone-depleting substances into the stratosphere; and conferences like the one in Berlin two weeks from now, which will address **global** climate change.

In order to deal with this issue, we have to begin with the facts. And any discussion of the facts must take into account categories upon which there is agreement and categories that are featured by disagreement. I would like to concentrate on the former rather than the latter, because there is widespread agreement about the central facts which characterize this problem.

The revisionist view notwithstanding, there is a firm domestic and international consensus on the most salient issues. Number one: We know that greenhouse gases are building up rapidly in the atmosphere. Concentrations of carbon dioxide have increased about 25 percent since the Industrial Revolution; nitric oxide has gone up by 15 percent; methane has gone up by more than 100 percent.

Number two: Scientists also agree that continuing this buildup of greenhouse gases will cause the climate to change. The operative word in that sentence is not may, it is will. A continued buildup of this kind will cause the climate to change. About that there is no serious disagreement. The scientific community cannot tell us the pace of these changes or the precise pattern they will take, but they are telling us that change is coming.

There is an international consensus that **global** surface temperatures could increase from an average of 2 degrees fahrenheit to 8 degrees fahrenheit over the next century. That is the rate unseen on this planet for at least the last 10,000 years. That is, unseen during the entire history of human civilization. Since the first cities appeared on the Earth, no such change has been seen.

The United States and other areas in high latitudes are projected to **warm** even more, with increases of up to 10 degrees Fahrenheit. In just the last century, the Earth's temperature has risen by about one degree Fahrenheit. The nine warmest years in this century have all occurred since 1980, even though the eruption of Mt. Pinatubo, as predicted at the time, held down temperatures for about three years, until the heavy particulates blocking out a tiny fraction of the sun's radiation fell back out of the atmosphere to Earth.

Already, there is ominous evidence of significant change underway. Alpine glaciers in every part of the world are retreating rapidly. You may have seen the pictures not long ago of the prehistoric traveler whose body was found in a mountain pass in the Alps in Italy. They were walking along, and there he was. Why had no one noticed him there for the last 5,000 years? Because the ice covering him has not melted in

5,000 years. It is now -- it has now melted.

In other areas that have not seen the ice retreat in human experience, it is now retreating. There is a decrease in northern hemisphere snow cover; evidence of a decrease in Arctic sea ice. Average precipitation in the lower 48 States has increased in the last century by about five percent. Torrential rains have increased in the summer during agricultural growing seasons.

These are troubling, complex and challenging issues to confront, but we should not image that they occur according to a pattern of slow and gradual change. We know that natural systems are replete with thresholds beyond which change can occur suddenly and dramatically. A warmer Earth alters precipitation, soil moisture and sea level that can lead to changes in the ideal ranges for crops, forests and wetlands. Changes in precipitation patterns cause draught in some areas and more rainfall in others. It causes a change in the distribution of microbial populations and vulnerabilities to viruses and bacteria; a change in the distribution of pests; a change in the distribution of plant and animal life.

Combinations of changes can have dramatic effects --increased rainfall can lead to more floods, which together with higher sea levels, can threaten the existence of some low-lying coastal communities, threaten the existence even of some small island nations and low-lying coastal nations.

We have seen concern expressed by scientists in several parts of the world about the increased frequency of drastic weather events. In our own country, we have seen the effects of a shift in the pattern that we call El Nino, from a pattern that occurs every two to five years to a relatively new pattern during the last decade and a half in which it has a tendency to become almost constant.

Some members of the business community, whose lines of work make them especially sensitive to these kinds of changes, are also beginning to express concern. Recently, I met with a large number of representatives from the insurance industry and the reinsurance industry. Frank Nutter*, President of the Reinsurance Association of America, has warned about a serious risk of bankruptcy within the insurance industry, that can come from, in his words, "significant and perhaps, permanent changes in our climate in this country and in the world."

It's easy to see why insurance companies are concerned. In 1993, the Mississippi flooding caused an estimated \$10 billion to \$20 billion worth of damage. Hurricane Hugo cost the federal government alone about \$1.6 billion. Hurricane Andrew topped \$2 billion in federal disaster payments and cost property insurers at least \$16 billion. The floods and mud slides in California have caused over \$2 billion in damage already this year.

Does it make sense for us to assume that we need not take action to diminish the chance that an altered climate pattern will lead to an increase in the frequency of severe events of this sort? We ignore these changes at our peril. I mentioned that climate change can cause a shift in the distribution of microbial populations. The range of infectious diseases, such as malaria and dengue fever, can change significantly.

How should we respond to this kind of threat? The Clinton administration believes that we must guard against potentially devastating effects these issues through an aggressive research program. This approach is, in fact, analogous to an insurance policy and is not just an abstract notion.

Three years ago we joined the international community in signing the historic Framework Convention on Climate Change. It was the beginning of a process to design a kind of insurance policy. It was a treaty that called on all nations to work together in an unprecedented effort to protect the **global** environment. Specifically, the industrialized countries were urged to take the lead by stabilizing greenhouse gas emissions to 1990 levels by the year 2000.

Soon after taking office, President Clinton went beyond the vague, non-binding language of the treaty, declaring that the United States would meet the goal set out in the treaty. The President's commitment was made to complement his economic objectives. He promised to turn our economy around, and he has delivered. Inflation is down, growth is up, unemployment is down, jobs are up. All told, we are demonstrating that economic and environmental progress can go hand in hand.

No doubt, the powerful economic course set by President Clinton challenges several of the assumptions of the plan. Rather than shirking away from this good news, we embrace it. Today I want to reaffirm the President's pledge: The United States is committed to reaching 1990 levels of greenhouse gas emissions by the year 2000. We've developed an ambitious plan aimed at fulfilling the President's commitment. Forty out of forty-seven of these initiatives have received funding are now underway. Most of these initiatives share at least one common feature -- they will mean new, clean American jobs for our future.

For example, we have signed voluntary agreements with the bulk of our utility industry to keep greenhouse gas emissions down. Similar partnerships have been forged with U.S. industry on energy-efficient computers, buildings and lighting systems. We have pledged 430 million to the **global** environmental facility for its second phase -- the largest contribution of any nation in the world. We have created a new environmental technology initiative, totaling more than \$1 billion to develop and disseminate environmentally superior technology. And, the U.S. has launched the world's first pilot program to assess the feasibility of joint investment projects with other countries aimed at reducing or sequestering emissions of greenhouse gases and promoting sustainable development.

In addition, we have launched a partnership for a new generation of vehicles, also known by some as the Clean Car Initiative. It is a real partnership. All three of the big three automakers are participating, along with the national laboratories; all of the relevant federal agencies; and many suppliers of parts, materials and equipment; also, engineering faculties and students across the country. Together we're tackling a technological challenge in some ways as tough as putting a man on the moon. We're going to develop a car with three times the efficiency of today's automobiles with no sacrifice in cost, comfort or safety.

In the process we hope to discover the best ways to apply new technologies which may, in fact, lead to even greater improvements in efficiency -- all in 10 years' time. Success will mean less dependence on foreign oil and lower emissions of greenhouse gases. And, of course, in addition to the benefits for the American consumer, the project also holds the promise of an extremely attractive and competitive automobile for world markets at the turn of the century and the thriving U.S. auto industry to produce them.

In our building and construction initiative, our goal is to improve the competitive performance of this \$800 billion industry by developing much better construction technologies that lead to less emissions. With the full cooperation of the industry, we're determined to ensure that our buildings, like our industry, are the most productive, efficient, safe

and durable in the entire world. That means cutting delivery time in half with a 50 percent reduction in cost.

We want to see a 50 percent reduction in construction work injuries and illnesses also, while there's a 30 percent improvement in productivity and comfort. And we're developing detailed plans with the industry to reach these objectives. We want to see 50 percent less waste and pollution and 50 percent more durability and flexibility.

We recognize that our plan is ambitious. And we recognize that it requires support from leaders on Capitol Hill. Some of our previous requests were not fully funded, and Congress is now considering taking previously approved funding back. Just as this treaty requires international consensus, our domestic response to it requires a national consensus. We are committed to working with the Congress in a true partnership on behalf of our nation, the world and all of its people. But it is incumbent upon the new leadership on Capitol Hill to step up to the plate and recognize both the challenges and the opportunities presented by climate change and recognize, too, the need for U.S. leadership.

Fulfilling this responsibility in the future requires acknowledging that our plans and those of our industrialized partners are only the first step. In two weeks, in Berlin, nations will meet to determine what more the international community can do in response to the dramatic scientific evidence that now exists. Once again, this administration will be at the forefront of this **global** effort.

We have said for almost a year that we do not believe that the current agreement is adequate. It only contains an aim or goal for the year 2000, and this aim only applies to a limited number of countries. We are now in a situation in which the maximum response that is politically feasible throughout the world still falls short of what is really needed to address the problem. All the nations of the world will need to work together to develop guidance on what steps to take beyond the year 2000. So we must negotiate a new aim for the future.

In view of these limitations, and mindful of our responsibility to the future, we are working with other nations to develop a mandate that can be agreed upon in Berlin and can set the course for next steps under the treaty. This will require us all to carefully examine what we each can do to contribute to further reductions in greenhouse gas emissions. Our goal, in other words, in Berlin is to build a foundation and begin momentum.

Just as there are thresholds in the natural climate system there are also thresholds in the political system. When evidence accumulates to the point where enough people are no longer willing to listen to skeptics that have arguments that are not grounded in the facts, then beyond that threshold, the possibilities for significant action improve dramatically. That is why it is important to develop quality research. We've already begun that process here in the United States, and that will be a part of the process we will follow in the future.

But now is the time to re-launch negotiations and walk more concretely toward the treaty's objective. Now is the time to establish a new negotiating mandate that will allow us to fulfill our responsibilities to future generations -- a mandate that ensures we move forward from the important first steps outlined for the pre-2000 period.

We strongly believe that all nations must participate in this effort. Certainly, industrialized countries who have contributed most of the problem can and should take the lead. And we shall. But we simply

cannot ignore the fact that emissions are rising fastest in developing countries, which together now account for almost 50 percent of all greenhouse gas emissions in the world. We know that industrialized countries have special responsibilities, and we fully support the Convention's call for common but differentiated responsibilities. But we very much want the developing nations to join us at the negotiating table, so that together we can define these common but differentiated responsibilities in the post-2000 era. Not so that alone we can do less, but so that together we can do more -- through trade, technology cooperation, and a host of strategies that offer benefits for all nations.

We also must do a better job of ensuring that nations are matching rhetoric with reality; that we are accountable for what we say we will do. To date, only a handful of nations have put forward clear substantive proposals that move them toward the emission reductions they have enunciated. We must be clear: Good intentions and high-flying rhetoric will not come close to helping us meet the very significant challenges inherent in reducing emissions. What is needed and expected under the treaty is concrete action.

In the negotiations that will follow the Berlin meeting it is imperative that we establish a menu of measures from which to choose strategies for reaching any new aim set for the post-2000 period. Only an analytic phase as part of the negotiating process can provide us with realizable measures, and the realistic understanding of what our expectations and goals should be for the future. But the measures selected must truly achieve emissions reductions, and nations must be prepared to show actions and results.

Finally, we believe that the mandate for negotiations should be concluded as rapidly as possible. We believe that an aggressive, ambitious approach, looking at short-term and long-term goals -- that is for the years 2010 and 2020 -- can be concluded by 1997, when the third conference of the parties will be held. We think this date is a fair one, one that reflects our view of the importance and urgency of the climate change problem and also gives us the lead time to develop and begin to take advantage of new technologies.

On the one hand, we have nations that will be trying to appease strong constituencies in their countries by outbidding the rest of the national community in their pledges to reduce emissions by future actions. But what future generations need is aggressive, measurable and ambitious actions, and not political promises of future actions.

On the other hand, we have political extremists -- some of them in our own country -- who would have the United States evade and ignore tough issues like **global** climate change, ozone depletion, or any number of threats to human and environmental health. Far outside the mainstream of scientific consensus, they would deny the existence of the problem and seek to prevent the United States from even acknowledging its concern, even though the actions that we envision are good both for the environment and for the economy.

This is an intellectually, politically, and morally bankrupt position which must be resisted. It is similar to the position that was taken for so long by the tobacco industry in the face of mounting medical and scientific evidence about the connection between smoking and lung cancer. To this day, the precise causal relationship and all the details about exactly how smoking causes lung cancer cannot be established with precision. But the relationship is accepted. It is a medical fact. Yet, for so long, those -- some of those with an economic interest in delaying the recognition of that connection argued implausibly that the scientific evidence was questionable, ought to be

ignored, was insufficient upon which to base any conclusions.

They were wrong. And those who are now seeking to delay the time at which we recognize the connection between the accumulation of greenhouse gases and **global** climate change are also wrong. If you think back to the dramatic fires in Kuwait when the oil fields were set ablaze in 1991, all of that carbon pollution put together amounted to less than one percent of what we put into the Earth's environment every year. And that amount continues to increase every year.

We cannot forget that we are now witnessing the most extreme and concerted assault on the environment in history. The core of the so-called nation's environmental laws and commitments. Buried in arcane rhetoric about regulatory reform is a deliberate attack, widely acknowledged in the popular press, that effectively revokes many of this nation's most important environmental laws from the Clean Air Act and the Clean Water Act to the Endangered Species Act. The President and I don't support this, and will not accept it. The health of our children, the safety of our workers, and the integrity of our environment cannot be so recklessly jeopardized. Contra

Rather than attack environmental initiatives, we hope the Congress will work with us to craft policies that are as environmentally sound as they are economically beneficial.

Let me close by drawing an analogy to the response by the international community to another problem that was similar in some ways to **global** climate change. That is the problem of ozone depletion. Ten years ago, at about the same stage in the development of scientific knowledge, the nations of the world came together in Montreal to take prudent steps toward protecting the Earth's stratospheric ozone layer. These initial efforts were expanded in the aftermath of a stunning scientific discovery -- a hole in the ozone layer above Antarctica which was the size of the North American continent.

After that discovery was confirmed, the world's political system crossed a threshold beyond which it became much easier to secure agreement on the need to act. That led to the London Amendments in 1990, where the world agreed to phase out the most damaging ozone-depleting chemicals, and the subsequent Copenhagen Agreement which accelerated the process by five years. Every American can be proud that the United States helped to lead these efforts politically and scientifically.

As with the ozone issue, nations have agreed on the nature of the climate change threat, and we have taken the first tentative initial steps to thwart that threat. But this is just a beginning. I think we can answer the question that I quoted from Sir Roche* at the beginning of my speech about posterity, and answer it with another Irish sentiment written by the great poet, William Butler Yeats. He wrote, "I have spread my dreams under your feet. Tread softly because you tread on my dreams."

Unless we tread softly, our dreams for the future will be nothing but dreams. Let us make sure that our next steps are the right ones. Thank you very much. (Applause.)

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Divider Title: _____

Statement of
The Honorable Timothy E. Wirth
Under Secretary of State for Global Affairs
before the
Senate Foreign Relations Committee
Subcommittee on International Economic Policy, Export and Trade Promotion
October 9, 1997

Mr. Chairman and Members of the Subcommittee:

Today, in addition to providing an update on our progress in the climate change negotiations, I would like to address three issues: (1) the matter of the European Union "bubble", (2) issues related to developing country participation, and (3) the various mechanisms through which we can bring appropriate technologies to developing countries to assist them in combating climate change.

Let me start with an update, in particular focusing on developments since I last appeared before this committee in June 1997.

We are rapidly approaching the end of the negotiations leading up to the third session of the Conference of the Parties, to be held in Kyoto, Japan from December 1-10, 1997. As of today, there are only 64 days left – and only about 18 of those are set aside for formal negotiations. Progress has been made, on some of the important issues, and the beginnings of an agreement are emerging. If we are successful, the agreement is likely to include critical elements of our own proposal, including:

- an emissions budget, which allows for smoothing of fluctuations in weather and economic variables and some flexibility in the timing of emissions reductions;
- a multi-gas approach, in which not only carbon dioxide but all greenhouse gases are incorporated (although there is significant opposition to including "sinks");

- international emissions trading and joint implementation, both of which increase flexibility by allowing Parties to offset emissions at home with the purchase of emissions reductions elsewhere;
- mechanisms for monitoring and verification of reductions, which insures a level playing field for all Parties; and
- action by developing countries, in addition to a target and timetable from developed countries.

I do not mean to suggest that the final text will include each of these elements in the form that we originally set forth in our U.S. proposal this past January; the negotiating process does not allow for that. But the Administration has proposed, and much of the world has begun to accept, an overall paradigm for moving forward to address this serious problem: a solution which maximizes flexibility in implementation while insuring the integrity and environmental benefits of emissions targets.

The Administration is not yet at the point of finalizing its decision regarding a target for controlling emissions. We will keep you informed as to our progress on this front. We have clearly heard the concerns raised in this committee, as well as those raised in the Senate Resolution passed early this summer. I wish to restate here: our agreement will protect American competitiveness and will be in the best interest of the American people. The President again committed himself to these goals at the White House conference on Monday, and it is a goal to which we have consistently adhered during the course of our negotiations.

However, on many aspects of our proposal, we have been clear – and the domestic consensus supports our approach. The Administration has been aggressively promoting these elements of our proposals in an intense round of bilateral and multilateral sessions. The President has made climate change an issue in his meetings with other national leaders, including in sessions on the margins of the General Assembly session of the United Nations. The Vice President and the Secretary of State have raised climate change in their own meetings. I have had a series of sessions in Europe and

Saudi Arabia, as well as with key ministers from Japan, Australia, Canada, and New Zealand, and I will continue to raise this issue in meetings in China later this month. Senior officials have been in Latin America and in Asia discussing our positions. Our hard work is beginning to pay off in an opening of peoples' minds to our perspectives; we remain hopeful that our continued efforts will create a consensus around our approach as we move to Kyoto.

Our allies in the negotiations are found in all blocs of countries: among the developed countries, we have our most extensive areas of common ground with Australia, Canada, Japan and New Zealand – each of which supports our proposals for the flexibility elements so important to achieve a lasting, successful and economically feasible agreement in Kyoto. Many countries of the former Soviet Union and of Eastern Europe support our proposals as well. However, we have reached something of an impasse with our European colleagues.

The EU "Bubble"

As you are probably all aware, the EU has chosen what many analysts consider an unrealistic and unachievable target of a fifteen percent reduction by 2010 below 1990 levels. Further complicating the negotiation, European Union member states have also insisted that they be allowed to "bubble" their emissions. This means that while emissions as a whole may be limited to a set target, each individual country may not be required to meet that limit. In fact, a significant portion of the total EU emissions reductions are anticipated to stem from the re-unification of Germany, and the removal of coal subsidies in the UK and a switch to natural gas. While we certainly applaud the shutting down of inefficient and polluting factories and of the removal of subsidies in the energy sector, it is not clear that the benefit of such actions should eliminate the need for other countries within the EU to act. Yet, under the EU proposal, some countries will not be required to reduce emissions at all – and some will be allowed to grow. For example, Portugal will be entitled to emissions increases of 40 percent above 1990 levels by 2010, Spain will be able to increase emissions by 17 percent, and France will be required only to maintain emissions at 1990 levels.

Congress has been quick to point out some of the problems inherent in this kind of "burden-sharing". I would like to share with you some of the questions we have asked on this issue:

- We have questioned how the EU proposal would relate to international emissions trading. If it is merely a proposal in which each country would be given a flat-rate, and then allowed to trade emissions on the market, we would support their approach.
- We have not been told how the EU intends to insure accountability: for example, if the European Union exceeds its target, what compliance mechanisms exist? Will each country within the EU have the same obligations as countries outside of the Union? Is each country responsible for its "share" only? How is that determined?
- What kind of examples is the EU setting for the developing world? If a 40 percent increase is allowed for some industrialized countries, then even less can be demanded from developing countries. Surely we must demand more of the industrialized country Parties in an effort to set an appropriate standard.
- How will new European Union member states be brought in? If the number of countries is enlarged through the addition of Eastern European members with low emissions, will the overall target be adjusted?

I hope this list of questions gives you an idea of the extent to which we are demanding answers in the international debate. Clarity on these questions is essential for eventual agreements in Kyoto.

Developing Countries

Let me turn to another issue of enormous concern to those on this committee and to others outside this room as well: the participation of developing countries. Let me be clear - developing countries must participate in this treaty. The rationale for developing countries to act is clear: while at present they are responsible for less than half of global emissions, over the next decades, their percentage of the total will grow, despite the fact that their per capita emissions will continue to remain far below our own. We must

address this trend of rising emissions if we are to truly make a dent in the long-term problem.

However, I believe it would be instructive to understand better another perspective on this issue – that of developing countries themselves. Let's look at some numbers.

- According to the Intergovernmental Panel on Climate Change (IPCC), approximately half a billion cases of malaria are already reported each year. However, experts believe outbreaks of malaria will increase as climate changes. Most of the deaths from malaria occur in children less than five years old – and almost all of these kids live in developing countries.
- According to the World Bank, two billion people live on less than \$2 a day, and 1.3 billion live on less than \$1 a day – and all of these are in developing countries.

It is this perspective, and these factors that developing countries consider when they call on the developed world to act first.

Many uninformed observers have suggested that there are no obligations for developing countries in the current agreement. This is not true. In fact, among other commitments, developing countries are called upon to inventory their emissions of greenhouse gases, to take policies and measures to mitigate and adapt to climate change, to cooperate in the development and transfer of technologies, and to promote and cooperate in climate change research, education and training.

Developing countries have taken action to address their FCCC commitments. Just as we are working to mitigate our emissions, developing countries have proceeded aggressively to develop programs which have reduced their own. Some of the developing country effort has been the result of successful programs mounted by AID, by the U.S. Country Studies Program, U.S. Initiative on Joint Implementation, and by bilateral and multilateral donations from other countries and international organizations. However, much of the resources and the impetus for action have come from within these

countries. As we move to another level of international commitment, it is important to understand what has been achieved to date.

A number of examples of developing country efforts are illustrative of this progress. According to the World Bank, between 1991 and 1996, fossil fuel subsidies in 14 developing countries that account for 25 percent of global carbon emissions from industrial sources declined about 45 percent – from \$60 billion to \$33 billion (for comparison, note that OECD subsidies declined by about 20.5 percent, from \$12.5 billion to \$9.9 billion). China, which accounts for approximately 12 percent of total world energy-related CO₂ emissions, has been actively reforming energy pricing, and subsidies have fallen from 37 percent in 1984 to 29 percent in 1995, while petroleum subsidies have fallen from 5 percent in 1990 to 2 percent in 1995. Furthermore, Chinese efficiency gains have also been significant; without intervention, emissions would have been nearly 155 million metric tons higher in 1990 than they were with policy actions. And, by the end of 1993, 12 percent of China's installed electrical generation capacity was produced by co-generation. Many other developing countries are also actively promoting energy efficiency. For example, in Brazil an aggressive program to use ethanol from sugar cane has replaced nearly half of the gasoline that otherwise would have been used.

What does all this tell us? Clearly, it tells us that our expectations and theirs are predicated on different assumptions. We look at them and point to the cause of the problem in the future; they look at us and point to the cause of the problem now. We look at them and worry about competitiveness; they look at us, and point to our, overwhelmingly better lifestyle and standard of living – which most of them are desperate to duplicate, but are being told is beyond their reach because of the environmental consequences. As President Clinton remarked at the White House conference on Monday, our problem with China is one of national security – it is that China might follow our emissions path, and in so doing would create a world unlivable for us all. We look to Kyoto and demand that all countries participate; developing

countries look to Kyoto and agree to take actions – but only after the industrialized world has moved first.

Historically, the bonds of the developing country alliances are difficult to break, notwithstanding the often great differences within the group. We can empathize with the needs for small island states, which face potential eradication through sea level-rise, to insist on aggressive targets. We can conclude that grouping all developing countries together is a mistake – and we can suggest that poor countries which emit next to nothing should have different obligations than do the wealthier countries with a significant share of the global total.

We can accommodate the concerns of developing countries that differences between levels of development are real by providing flexibility in the obligations we insist they take on. Many developing countries accept that eventually they will have to assume greater responsibility for dealing with climate change – but suggest the appropriate time for such action would be once they have passed a certain threshold of economic development.

We can also address the concerns developing countries have set forth regarding the imbalance in our expectations – that they be called upon to set targets before we have demonstrated our own good faith. This is best accomplished by fully funding our own programs and by aggressively seeking to develop the technologies that will be needed for global reductions.

We can continue to promote active developed and developing country cooperation through our ongoing bilateral and multilateral assistance programs. Evidence of success in these efforts is beginning to emerge in many developing countries with the development of renewable energy technologies, the removal of subsidies, the improvements in efficiencies and the implementation of climate action plans. We can demonstrate with our own commitments that we value these environmental efforts, and that the United States will stand by countries which invest in the long term and the global well-being.

Ultimately it is actions themselves that will determine international success in addressing the climate change problem – not the instrument which codifies the obligations, or the process through which the actions may be generated. Real emissions reductions, in all countries in the world, at the least possible costs are our goals. Others may also exist – and we need to take advantage of them all.

I am not proposing that we step back from our view; that both developed and developing countries must act to avoid continued and potentially calamitous global warming. Rather, I am saying we must determine what we ask of developing countries with a realistic and fair appreciation of how they see the world as well. The level and timing of each country's commitments must be commensurate with its national abilities and level of development. Balance and fairness must be maintained. And any package to which we agree in Kyoto will insure this is done.

Our developing country proposal has three parts:

- (1) It calls for continuing to advance the implementation of commitments: essentially defining the specifics of what that means, and including calling on them to increase energy efficiency, to emphasize market oriented pricing, to increase the use of renewables, to improve their transport sector – and in general to take actions to address climate change that are justified economically in their own right.
- (2) It creates a new category of countries (Annex B): in which developing countries would voluntarily take on legally binding emissions limitation or reductions commitments; and
- (3) It proposes that the Parties ultimately agree on provisions so that all Parties (including developing countries) have quantitative greenhouse gas emissions obligations, and so that there is a mechanism for automatic application of progressive obligations to Parties based on agreed criteria.

While we may be willing to be flexible on the procedures through which each of these elements is made part of the Kyoto package, we remain absolutely convinced on the substance. Developing countries must be clearly and integrally a part of next steps in

order for the U.S. to consider becoming a Party. The United States will not assume binding obligations until developing countries make adequate commitments in terms of their own obligations.

Developing the Infrastructure

Let me turn finally to the broader question of how we intend to develop mechanisms to bring appropriate technologies to developing countries to assist them in combating climate change. We all recognize that unless remedial action is taken, developing country emissions are expected to rise as part of their economic development. In my view – and I believe in the view of most of the members of this committee – it will be critical to find ways to work with developing countries to reduce emissions. This must be a priority regardless of the approach we take through the Convention or any subsequent legal instrument.

What does this mean? It means we must build the next 100 gigawatts of power generating capacity to be cleaner and more efficient. It means we must fully fund the Global Environment Facility. It means we must seek to continue our efforts to develop initiatives to promote environmental export credits and initiatives. It means we must rationalize our lending through the multilateral development banks and our bilateral assistance programs to cover environmental concerns. And, it means we must endeavor to continue our efforts to develop and implement the new technologies of the future.

Let us briefly consider two of the largest developing country emitters: China and India. Even after more than a decade of extremely strong economic growth, China is still a seriously underdeveloped country. On a per capita basis, China's GDP is about \$620. Over 100 million Chinese still have no electricity. Seeking to remedy its domestic energy scarcity, China's five year plan calls for the addition of 70 gigawatts of electricity generating capacity before the year 2001. That means China will have to add one 1,000 megawatt electric plant every month for the next four years. Under current policies, most of that will come from coal – which currently accounts for about 75% of China's electricity. Yet there is a substantial opportunity to help China make more use of gas and renewable energy with profitable opportunities for U.S. businesses.

India is in similar straits. CO2 emissions increased by 40 percent between 1986 and 1995, with domestic coal fueling industrialization. Currently, India is even lower in per capita emissions than China – nearly five times below the world average of four tons a person, and approximately 1/20th of the level in the United States. Like China, India is also installing enormous quantities of new energy generating capacity – plans call for the installation of 62 gigawatts by 2002. Inefficiencies and poor technology mar their current infrastructure; currently in India, up to 40 percent of the electricity generated is lost in transmission and distribution. Here too, there are profitable opportunities for U.S. businesses.

We must seek ways to encourage these countries to build a more climate-friendly energy infrastructure. Fortunately, opportunities to move in a more sustainable direction are available. For example, we can work with the international financial institutions (including the World Bank and the regional development banks) and require them to look more closely at the implications of power plant financing. This might require moving away from some of the current solutions which have been seen by the international financial institutions as least cost because damages from climate change may not have been factored into earlier cost calculations. We would welcome a more extensive dialogue with Congress on ways to improve energy lending strategies in these arenas.

Many of the actions we want developing countries to take will be good for the global environment, but will cost money up-front. We must increase the funding available for the Global Environment Facility, which seeks to provide part of the costs to meet the incremental global environmental benefits the planet so urgently requires.

We need to look at ways to bring our private sector into the dialogue as well. Commercial energy suppliers are seeking power generation opportunities in developing countries. To maximize these opportunities, we will need mechanisms that provide "emissions credits" for such investments by firms and/or developed countries. We need other export financing agencies to adopt standards like Ex-Im Bank's set of emission guidelines for the projects it supports, while offering financial incentives for U.S. exporters and foreign buyers who chose renewable energy and low emission technology

options to meet their power generation needs. These measures such as Ex-Im Bank's need to be complemented by a global recognition and acceptance of strong environmental criteria. Once our firms demonstrate that new, fuel-efficient technologies and renewable energy sources are commercially viable, we can expect that countries in the developing world will quickly adopt that technology. We should also look to ways to encourage research and development into energy-efficiency and renewable energy both by our private sector and through government funding and research. The development of long-term alternatives will be critical in the path to a sustainable future. Congress has been in the forefront of promoting private sector investment; we would welcome a continued dialogue on how to advance our environmental goals through such mechanisms.

It is clear that these actions must be taken. However, it is equally clear that none of these important steps can be taken by the Administration acting alone. Each will need congressional support. The Senate's attention to the climate issue has brought into focus the importance of the problem, and the need to involve all countries in the solution. In this light, we must now work together to find that solution. I look forward to doing just that.

I would be pleased to answer any questions from the committee. Thank you.

**Under Secretary for Global Affairs Timothy E. Wirth**

Statement before the Subcommittee on International Economic Policy,
Export and Trade Promotion of the Senate Committee on Foreign Relations
Washington, DC, June 19, 1997

Good morning, Mr. Chairman. I am pleased to join you this morning to discuss the importance of climate change and to outline the United States negotiating position as we move toward December's multi-national conference in Kyoto.

Climate change is probably the most important environmental challenge facing the world. The ecological, human, economic and political consequences are of enormous importance for the mid-term and for the long-term - and each of us needs to understand them. We look forward to active and frequent consultations with this Committee and with the other members of Congress as we seek to reach an agreement and as we set up the needed long-term process.

The Science

I want to begin with the science - because scientists were the ones who drew our attention to climate change in the first place, and because we continue to base our policies on the best evidence and the most rigorous scientific analysis available.

Let me highlight some of the key scientific issues on which there is a global consensus:

- ☐ Human activities have significantly increased the atmospheric concentrations of greenhouse gases over the last century.
- ☐ Global average temperatures have already increased by about one half to one degree Fahrenheit.
- ☐ The balance of evidence suggests a discernible human influence on global climate.
- ☐ Projections of the future change, based on complex climate models and on our best understanding of the physics of the climate system, suggest an increase of another 2 to 6 ½ degrees Fahrenheit by 2100, with an average greater than any seen in the last 10,000 years.
- ☐ Sea levels are projected to rise an additional 1 ½ feet by 2100, from expansion of the oceans due to global warming, and from a melting of glaciers and ice sheets.
- ☐ Climate change is likely to have wide-ranging and mostly adverse effects on human health, with direct and indirect effects leading to increased mortality.
- ☐ Coastal populations and infrastructure are vulnerable: a 20 inch rise in sea levels would put about 100 million people at risk each year from storm surges, with significant costs.
- ☐ Natural and managed ecosystems are at risk as ideal ranges shift with the climate. The location of forest and agricultural zones will change significantly.
- ☐ Future unexpected changes in the climate are not included in the models. These surprises may have impacts of global magnitude such as fundamental changes in global ocean circulation or ecosystem behavior.

These are the conclusions of the Intergovernmental Panel on Climate Change -- an international body of more than 2500 scientists, expert in all aspects of climate change, including the physical sciences, the social sciences and the economics. U.S. government experts have endorsed their work, as have the academic communities in the United States and around the world.

An excellent summary of the science and the impacts that could occur as a result of global climatic disruption was presented yesterday on behalf of nearly 2500 leading American scientists and I would like to include their statement for the record.

We do not yet have all the answers with respect to the science. We cannot yet say with certainty what the local effects of climate change will be. But, with better scientific data, the picture is becoming clearer.

For instance, in the United States, twenty inches of sea level rise would inundate 9,000 square miles of U.S. coastal land, with great loss of property and infrastructure. Rising temperatures could double the number of heat-related deaths. We now know that the ten warmest years since records began all occurred since 1980. Some of the most recent data shows that four of the five hottest years have occurred since 1990. With CO2 concentrations doubled in the atmosphere, heat waves like the one that killed around 500 people in Chicago two summers ago would be four to six times as likely to occur.

While we acknowledge uncertainties about where, how fast and when climate change will occur, and while we continue to press for research that will help us to answer these important questions, the basic fact remains that we are having a discernible impact on our climate.

Our policy is based on the current scientific consensus and on the need to achieve the most cost-effective emissions reductions possible. Our policy has three simple and straightforward objectives which are outlined in detail in a framework proposal we submitted to the climate convention in January. The proposal was shared with this Committee and was distributed widely with the public. The three objectives are as follows:

1. We are seeking to establish a legally binding emissions target for developed countries which is verifiable, credible and realistic.
2. We are seeking an agreement in Kyoto that maximizes the flexibility for each country to meet this legally binding target, including through the use of market mechanisms.
3. Third, we recognize the importance of involving all countries in the agreement - and to this end we have incorporated extensive language into our proposal that calls for developing countries to act.

Let me go through each of these in greater detail.

The Target: It is clear that the Framework Convention on Climate Change has not proven adequate to the task of reducing global emissions. We anticipate that only two countries will meet the Convention's non-binding aim of lowering emissions to 1990 levels by the year 2000. We ourselves will miss the aim by about 10%.

We believe a binding legal obligation to act will result in the passage of domestic laws - in all countries - that compel action. In order to build in some flexibility, our proposal calls for the targets to be multi-year in nature. Without this sort of legal obligation, countries will continue to pay only lip-service to their efforts to solve this problem. The past shows this is not enough.

Flexibility: Solving the problem of climate change is a long-term proposition that will require enormous effort over a sustained period. It is therefore vital that we achieve emissions reductions as cost-effectively as possible. Our approach to climate change seeks to do this. We have recommended that each country be given the maximum flexibility to meet its legal obligation. And we have rejected common, harmonized policies and measures recommended by some countries. We have also learned from the successes of the past, and are, wherever possible focusing our efforts on the use of market mechanisms to reduce costs.

One of the most innovative of these is the introduction of "emissions trading" into the lexicon of international agreements. The concept has been successfully used to reduce costs (as much as tenfold) in meeting the standards set for power plant emissions of sulfur dioxide. A similar program has also been successfully implemented in the Montreal

Protocol on Substances that Deplete the Ozone Layer. In the climate context, we envision that Parties would be allowed to trade their emissions - seeking to reduce them where it is most cost-effective to do so. While we are still engaged in working through some of the details of how to implement this proposal, it is clear that such a program could significantly reduce the costs; some studies suggest by up to one-half.

Another piece of our strategy on flexibility is joint implementation. Through joint implementation, countries are allowed to undertake emissions reductions projects in developing countries and count these reductions against their own emissions. We believe that joint implementation holds enormous potential to reduce global greenhouse gas emissions in a cost-effective manner. Joint implementation would also produce other benefits such as encouraging technological innovation, promoting the use of cutting-edge U.S. energy technologies, and protecting forests and other critical habitat around the world.

The U.S. has extensive experience with successful joint implementation projects. Recently, our approach on joint implementation received a major boost when President Clinton received the endorsement of the Dominican Republic and the seven Central American nations to endorse our concept of joint implementation for credit. This is a good example of our commitment to pushing through flexible mechanisms to implement new commitments under the Climate Change Protocol.

Developing Countries: We recognize the importance of including developing countries in this agreement. Their participation is critical to achieving any kind of a lasting success in combating the threat of climate change. For that reason, the participation of developing countries has been a central piece of our own negotiating strategy. We must seek a level playing field in which all countries that contribute to the problem contribute to its solution.

Developed countries, including the former Soviet Union and the countries of Eastern Europe, contribute about 60% of global emissions today, and developing countries account for about 40%. What do these numbers tell us? First, that the developed countries have historically contributed the greatest amount to the current heightened concentrations; we have fouled the nest. But the developing countries are rapidly growing, as are their emissions. The United States, with 5% of the world's population, is the largest greenhouse gas emitter, with more than 20% of the world's emissions. But China is not far behind, and is expected to pass us sometime in the first quarter of the 21st Century, although on a per capita basis, its emissions are projected to be less than one fifth of our own even then.

There is a clear concern about the potential impacts on our international competitiveness. Let me assure you that developing countries are part of our negotiating strategy and they must join us in order to insure that no country suffers significant competitive disadvantage.

We are all in this together, with different histories but with the same future. We pull a heavier oar at the beginning; over time, we all must pull together. Our policy has to be calibrated to reflect this reality. We cannot expect to solve the global problem unless all countries -- developed and developing -- participate in the solution. To this end, we have proposed three separate elements for developing countries in our proposal for Kyoto:

1. We call on developing countries to continue to elaborate on their commitments in the Convention - including by providing information on emissions on an annual basis (the same as for developed countries), and by taking "no regrets measures" (actions which may be valuable in their own right, and which also mitigate climate change). We also call for a regular review of the actions developing countries are taking (again, using a review process similar to that established to assess our own actions).
2. We call on the newly developed countries (such as Mexico and Korea) to take on binding legal obligations to reduce emissions, recognizing that while the targets they adopt may not be the same as our own, such commitments will codify their new status, and differentiate them from the lesser developed countries. We are now working with potential members of this group to seek their agreement on such a step.

While by no means an easy task, we believe that in Kyoto, we can find some language to insure that countries in this category will take on commitments that correspond to their more developed status.

3. We call for the negotiation of a new legal instrument which will include legally binding obligations for all countries - including all developing countries - as a next step in the path toward the ultimate stabilization of greenhouse gas concentrations in the atmosphere at a level that is not dangerous. This step, too, faces significant difficulty in the negotiations leading toward Kyoto.

Finally, I want to take this opportunity to note that one of the most important potential incentives with regard to additional developing country participation-- the Global Environmental Facility -- would be seriously undermined if Congress does not fully fund the U.S. contribution to this program. I hope you will support our request of \$100 million for the GEF for this year.

Let me close this morning by briefly reviewing for you the negotiating process between now and December 1 - when we meet in Kyoto for the third session of the Conference of the Parties to the Convention.

We have two more one-week officials-level negotiating sessions - the first in late July in Bonn, and the second in late October, also in Germany. During these two weeks we will be examining and negotiating the extensive text, which is a compilation of all the material submitted by all countries. This is an extremely divergent and broad document reflecting many interests around the world and it must be moved toward some consensus.

At one end of the spectrum, reflecting their strong commitment to making an aggressive statement, the European Union has proposed that developed countries reduce emissions by 15 % below 1990 levels by the year 2010. The Organization of Small Island States has proposed a 20% reduction by the year 2005.

At the other end, reflecting their concerns with the potential impacts of various emission reduction proposals (particularly on reductions in the consumption of fossil fuel), OPEC countries have introduced a proposal that they be compensated for any economic cost they might incur as a result of treaty requirements.

Other countries have introduced recommendations that they be allocated an individualized, different target. This commitment to so-called "differentiation" is not yet defined, but is used by many countries as a first step toward finding their own way of joining the negotiating process.

As we examine these proposals, and develop our own negotiation strategy, we will continue to be guided by our own principles of feasibility and economic opportunity. We are, as you know, doing extensive economic modeling, and we have not yet completed the process. We expect the modeling will soon be completed and available to all interested parties.

I think it is useful as we think about the economic impacts of reducing greenhouse gas emissions that we remember over 2,300 economists, including eight Nobel Laureates, have endorsed a statement which in part states:

"... As economists, we believe that global climate change carries with it significant environmental, economic, social, and geopolitical risks, and that preventive steps are justified...For the United States in particular, sound economic analysis shows that there are policy options that would slow climate change without harming American living standards, and these measures may in fact improve U.S. productivity in the longer run."

I would ask that the economists' statement also be included in the record.

Finally, I should note that we understand that Kyoto is but one more step on the long road toward stabilizing the atmospheric concentrations of carbon and other greenhouse forcing gases. The long-term goal is stabilization of concentrations of greenhouse gases in the atmosphere at an acceptable level. This is a task that must begin now but which will require a sustained effort over the next decades.

Kyoto is a first step, but a very important one. The message that we send, by what we do, is enormously important. We believe we can succeed by:

- developing new technologies, and thus improving the way we fuel our economy, transport ourselves, and process materials
- using flexible economic instruments and market mechanisms
- bringing in developing countries as full partners
- fulfilling the obligations of our leadership role

And throughout this process, we can continue to promote economic development and improve the standard of living for the American people, while we protect the environment.

It is important, in Kyoto, that we set up a system that will work -- one that will allow us to reduce our emissions at the lowest possible cost so that we can achieve the maximum protection of the environment. And it is also important that we send a clear signal to governments and industries so they can make significant investments in the new technologies that will be required if we are to achieve our ultimate goal. And finally, although those of us in the developed world must take the lead, everyone must participate in moving toward the solution.

I look forward to working closely with you and your colleagues on this most challenging and complex of environmental issues.

Thank you very much and I will be happy to answer any questions you may have.

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Conference on Climate Change, Evolving Technologies, U.S. Business, and the World Economy in the 21st Century

Opening Remarks of the Honorable Timothy E. Wirth, Under Secretary of State for Global Affairs, Department of State, Washington, D.C., June 18, 1996

Good morning and thank you all for coming.

On behalf of Secretary Christopher, Undersecretary Spero and the rest of the Department, I want to welcome you here today for this important and exciting conference where we will explore the intersection of good economic and good environmental policy.

As all of you know, the Clinton Administration has placed economic issues, technology issues, trade liberalization and American competitiveness at the top of its strategic priorities. Simultaneously, we have attempted to integrate the environment our economic and social policy, both domestic and foreign. This kind of integration is symbolic of the ideas put forward by the World Business Council for Sustainable Development -- the idea of eco-efficiency. Eco-efficiency is about integration -- linking economics, environment and equity. And it is a promising platform from which to build.

In this country and around the world, there are countless examples which demonstrate that the public and private sectors can work together to achieve simultaneous economic and environmental progress. Tremendous strides have been made in developing more efficient means of generating power and transporting people. Ingenious new systems of production Pollyanna, or to suggest that the hard work is done and that we can now relax.

I cite them because these successes are important, very important:

- ☐ they prove that partnerships between the public and private sectors, between science and government, can work;
- ☐ they prove that public dollars, wisely invested, can bring a significant return;
- ☐ they demonstrate that there is a great deal of money to be made from technological innovation and the need for a clean environment;
- ☐ and they form the foundation for the resolve and determination that must be summoned to face today's challenges.

Among the foremost of these challenges is how to take sensible steps to guard against potentially costly impacts associated with global climate change. This is an issue that has been with us for some time, first postulated more than 100 years ago and taken up through serious scientific investigation about 25 years back.

An enormous amount of research has been done and the workings of the global climate system are now broadly understood. Late last year the international body of scientists assembled to investigate this issue, the Intergovernmental Panel on Climate Change, issued its second assessment report and more strongly than ever before underscored the seriousness with which the world's leading experts view the issue of global climate change and humankind's role in it.

In the weeks and months ahead, we will be engaging in important negotiations that will help guide public and private actions to control greenhouse gas emissions in the post-2000 period. These negotiations will no doubt be the subject of intense discussion and debate. Today, however, we want to explore and try to define broad common ground. This conference is aimed at identifying opportunities for developing, demonstrating and deploying goods and services that serve our economic and environmental interests. We want to help highlight the notion and the reality that far-sighted, creative and aggressive businesses can do well while doing right.

This is a major theme emerging in the State Department. Secretary Christopher is preparing the Department to take on the challenges of the post-Cold War -- economic and environmental alike.

Undersecretary Spero will be talking about the Department's America Desk and our efforts to work with the private sector to strengthen America's economy at home, by enhancing opportunities abroad. Similarly, in his extraordinary speech on

American diplomatic leadership in international environmental affairs this April, Secretary Christopher made the critical linkage we are exploring here today.

"We are committed," he said at that time, "to helping U.S. companies expand their already commanding share of a \$400 billion market for environmental technologies."

That is what today's meeting is all about. It is not about revisiting stale arguments or engaging in debates about the science of global climate change. It is not even about the critical negotiations that will continue next month over what the international community will do together to address this challenge. Rather, recognizing that this is a problem that must be addressed, and can be addressed, we want to explore that territory where there is complete consensus: where opportunities exist for reducing emissions and enhancing efficiencies, American industry should be at the forefront.

We look forward to working with you on this important challenge. We need your input and ideas and we welcome your suggestions about how we can do a better job of working with you to capitalize on the market opportunities that are opening up all over the world.

Thank you again for coming.

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Timothy E. Wirth, Under Secretary for Global Affairs
Testimony before the Energy and Natural Resources Committee
U.S. Senate, September 17, 1996
Washington, DC

Good morning, Mr. Chairman. I am pleased to rejoin your company this morning to describe the Clinton Administration's efforts to address the far-reaching challenge of global climate change. As you know, the parties to the Framework Convention on Climate Change, agreed upon and ratified by the Senate in 1992, recently held the second major meeting -- or Conference of the Parties -- in Geneva. As requested in your letter of invitation, I would like to discuss the rationale for the position articulated by the United States in Geneva and to answer any questions that members of the Committee have.

The United States had four primary objectives for the Geneva meeting: 1) we wanted to put our shoulder behind the outstanding and unparalleled science that has been developed by the world's best scientists through the Intergovernmental Panel on Climate Change; 2) we wanted to shift the negotiations toward strategies that will achieve environmental results in an economically sensible manner -- so we rejected unrealistic proposals by some countries, and proposed that future commitments be realistic, verifiable and binding; 3) we wanted to ensure that national and international flexibility were preserved, allowing for the use of the most innovative and cost-effective mechanisms here and abroad, such as joint implementation and international emissions trading; and 4) we wanted to make sure that all nations, including developing nations, are involved in these negotiations and next steps that will be reached through them.

I want to begin, Mr. Chairman, with the issue of science -- for it is scientific research, and broad consensus among the world's leading experts, that form the foundation for our concern and proposed strategies on this issue. As you know, this Committee has a long history of engagement with scientific experts involved in this issue -- and I remember well a long series of hearings between 1987 and 1992 that I had the privilege of working on from your side of the dais during my term in the Senate, under the leadership of then Chairman Johnston.

One of the most memorable of those hearings occurred right here in this room in June of 1988. You will recall that that was the day that a brave and pioneering NASA scientist named Jim Hansen -- a leading authority on climate change -- told this Committee and the world that he believed that the scientific evidence was ever more apparent that global climatic changes were occurring outside the range of natural variability and that he believed global warming was underway. That was a bold assertion at that time and there were few scientists at that time who were willing to go as far as Dr. Hansen.

Almost a decade later, Mr. Chairman, a great deal of scientific progress has been made. At the behest of the Bush Administration, the international community set about to establish an inclusive international scientific body to answer questions about global climate change. Accordingly, the Intergovernmental Panel on Climate Change (IPCC) was established as a partnership of the World Meteorological Organization and the United Nations Environment Program. Over the past five years, the IPCC has emerged as the world's preeminent scientific and technical body concerned with the threat of global climate change. The IPCC involves more than 2000 scientists from more than 100 countries and uses recognized standards of peer-review in its scientific method.

In December of last year, the IPCC finalized its Second Assessment Report -- representing the most recent, authoritative and comprehensive scientific analysis we have available to us on this issue. The second assessment was the result of years of effort, extensive peer review and exhaustive analysis and consultation. The most important of the IPCC's scientific findings are as follows:

- ☐ The chemical composition of the atmosphere is being altered by anthropogenic emissions of greenhouse gases.
- ☐ The continued buildup of these gases will enhance the natural greenhouse effect and cause the

global climate to change.

- Based on these facts and additional underlying science, the second assessment reported that "the balance of evidence suggests that there is a discernible human influence on global climate."

This last finding represents the first time that a consensus has emerged among leading climate scientists that the world's changing climatic conditions are more than the natural variability of weather. In short, the IPCC's results have further underscored the compelling nature of scientific understanding of this issue.

Nonetheless, uncertainty remains. The scientific community cannot yet tell us precisely how much, when or at what rate the Earth's climate will respond to greenhouse gas buildup. However, making the best possible estimate based on what is known about the complex climate system, the scientific community believes that current emissions trends (resulting over the next several decades in the effective doubling from pre-industrial concentrations of carbon dioxide in the atmosphere) will lead to global temperatures which, on average, are 2 to 6.5 degrees Fahrenheit warmer than today, increasing at a rate greater than any known for the past 10,000 years.

Based on these estimates, the best scientific evidence indicates that human-induced climate change, if allowed to continue unabated, could have profound consequences for the economy and the quality of life of future generations:

Human health is at risk from projected increases in the spread of diseases like malaria, yellow fever and cholera;

Food security is threatened in certain regions of the world;

Water resources are expected to be increasingly stressed, with substantial economic, social and environmental costs in regions that are already water-limited, and perhaps even political costs where there is already conflict over limited resources.

Coastal areas -- where a large percentage of the global population lives -- are at risk from sea level rise.

In our opinion, the IPCC has clearly demonstrated to policymakers that further action must be taken to address this challenge. We are not swayed by and strongly object to recent allegations about the integrity of the IPCC's conclusions. These allegations were raised not by the scientists involved in the IPCC, not by participating governments, but rather by naysayers and special interests bent on belittling, attacking and obfuscating climate change science. It is our strong belief that the IPCC's finding meet the highest standards of scientific integrity. This is the best science we have and it is the responsibility of policy makers to consider the panel's findings and respond with corresponding thoughtfulness.

Unhappily, while the established international scientific process is working well, the international policy process has not been as successful. While an important first step, there a number of shortcomings in the Framework Convention on Climate Change (FCCC). Perhaps most important, the current Convention structure has not achieved its primary aims; few nations in either the developed or developing world have been fully successful in meeting their objective of reducing greenhouse gas emissions. We have to do better.

Last year, at the first Conference of the Parties in Berlin, treaty participants agreed to launch a new round of negotiations aimed at defining steps that would be taken after the year 2000. The so-called "Berlin Mandate" defined the broad terms by which next steps under the Convention would be negotiated. The Berlin Mandate directed the negotiations toward 1) defining emissions limitations objectives for Annex I nations in the post-2000 period; and 2) advancing implementation of commitments by developing nations.

In Berlin, as today, it was our belief that the final consensus reflects our belief that this is a global problem requiring global solutions: all countries must work together to do more to guard against harmful climate changes. While the Berlin agreement specifies that there will be no new commitments for developing country Parties, it calls for advancing the implementation of the existing treaty commitments

agreed to by developing countries and allows for negotiations on new commitments to begin as soon as work under the Berlin agreement is complete. Under the existing treaty, developing countries are required to adopt policies and measures to reduce greenhouse gas emissions. We are working now to develop specific proposals for advancing implementation of these existing commitments by the developing countries.

Over the past year, the United States has been engaged at home and abroad in serious analysis of the successes and failures of the current Convention structure in preparation for the negotiations that have been underway since Berlin. Based on these extensive efforts, the United States articulated in Geneva a proposed structure for next steps that we think should form the basis for negotiations over the next 16 months. We call this a "framework"; it has yet to be fleshed out with specific numbers and we have work to do to further develop several issues associated with this approach. In the months ahead, our ongoing analysis and assessment will allow us to more precisely articulate the specific contents that the United States could support.

Now, before discussing the elements of our proposal, let me touch on the underlying rationale for the approach we recommended in Geneva. The new U.S. approach is based most fundamentally on a desire to ensure that the negotiations focus on outcomes that are real and achievable. We believe that sound policies pursued in the near term will allow us to avoid the prospect of truly draconian and economically disruptive policies in the future. The old adage, so appropriate to much of public policy applies here: an ounce of prevention is worth a pound of cure -- the cost of action in the medium-term is less than the cost of inaction in the long-term.

Second, our approach was formulated on the premise that prospective solutions must be flexible and cost-effective. We do not view favorably a cookie cutter approach to the actions nations might take, and we certainly will not accept proposals that are offered for competitive advantage, not environmental progress.

And third, our approach is based on the belief that the agreement being negotiated should lay the foundation for continuing progress by all nations in the future. The United States is immovable in its belief that international cooperation on this challenge remains critical to any effective response and that all nations -- developed and developing -- will have to become more ambitious in contributing to the solution to this challenge as we move forward.

Based on these principles -- environmental protection, economic prosperity, flexibility, fairness and comprehensiveness -- the United States recommended in Geneva that future negotiations focus on an agreement that sets a realistic, verifiable and binding medium-term emissions target. We believe that the medium-term target must be met through maximum flexibility in the selection of implementation measures, including the use of measures such as reliable joint implementation and trading mechanisms.

The proposal we made in Geneva represents a departure from the treaty's current approach, which has relied on non-binding "aims" for emissions reductions in the year 2000. Unfortunately, this approach is not working -- few nations in either the developed or developing world have been fully successful in meeting their commitments under articles 4.1 and 4.2 of the Convention. In our view, continued use of non-binding targets that are not met would make a mockery of the treaty process. It leaves the impression that rhetoric is what counts rather than real emission reductions -- an outcome that is both unacceptable and counterproductive.

Similarly, we think that the current treaty needs to be strengthened through consideration of certain long-term objectives. Our view is that it will be necessary to continue working toward a longer-term concentration goal (e.g. for the next 50-100 years), as set out in the Convention's objective, recognizing that scientific understanding and technology will improve over time. Working toward such a goal would better establish the long-term, global nature of the problem.

Taken together, we believe that the U.S. recommendations related to binding medium-term targets and a longer-term concentration goal will help ensure that the international community focuses on more sensible emissions reduction goals (knowing that the goal must be met), and on the need for all nations to contribute to the solution over the long-term. In addition, these two ideas are critical prerequisites to

enabling important and cost-effective joint implementation and international emissions trading opportunities, which we believe are essential. Finally, in response to consultations with key stakeholders, these efforts are intended to make it clear over the long-term where we are going and therefore to help guide corporate planning and investments.

Having defined in broad terms the basic components or "framework" of an agreement we could support, as outlined in Geneva, I want to mention what we did not say and what we will not support.

First and foremost, we have not come to any conclusions about a specific target or set timetable for emissions reductions. We have established a comprehensive interagency process, led by the Department of Commerce, to undertake the necessary economic analysis that will be required to determine an approach that the United States believes is realistic and achievable. We believe strongly that this analysis and assessment is a necessary prerequisite to identifying a target that is realistic, achievable and consistent with the national interest and national prosperity.

Second, we did not in any way repudiate the growing number of successful voluntary programs that U.S. industry has launched to reduce emissions. Unfortunately, there has been some misunderstanding regarding the distinction between non-binding emissions reduction targets and voluntary programs. Our belief that the non-binding emissions reduction aim has not worked internationally in no way diminishes our enthusiasm for the outstanding voluntary programs that U.S. industry, state and local governments, schools and churches has embarked upon nationally to reduce emissions. Voluntary programs have played a central role in the Administration's Climate Change Action Plan, have helped us to reduce emissions significantly -- simultaneously saving millions of dollars in avoided energy costs -- and we expect them to continue to play an important role far into the future.

At Geneva, we rejected certain proposals for targets that have been proposed by other countries or groups of countries. Our preliminary analysis before Geneva made clear that many of these proposals were neither realistic nor achievable -- either because they would compromise other important principles, such as the need for flexibility in time and place of implementation (in the case of proposals for binding policies and measures), or because they involve timeframes and objectives that are not consistent with national and international prosperity (for example, in the case of the proposal by the Alliance of Small Island States calling for a 20 percent reduction in the year 2005).

We also rejected in Geneva proposals by some nations that the negotiations move toward consideration of some ambitious mandatory, internationally coordinated policies and measures. We believe that the significant differences in national circumstances suggest that few, if any individual measures are likely to be applicable to all countries.

The framework proposed by the United States won remarkable support in Geneva. Based on our presentation, we were able to obtain broad acceptance for the U.S. framework in the Ministerial Declaration that was issued at the meeting's end -- a testament not only to the soundness of our proposals, but also to the expectations the international community has for U.S. leadership in the most important and difficult tasks facing the world. Our job in the months ahead is to search for agreement on next steps that will produce results that are consistent with our environmental and economic aspirations.

This, leads me to the final area I want to touch upon -- the ambitious calendar that exists for the next year and a half, and the need for extensive public discussion and consultation on these matters in the months ahead.

The Administration's plans for engaging the public, industry and non-governmental experts included a major workshop on analysis and assessment where presentations were made by more than 50 experts from inside and outside of government about technical issues associated with our emissions trends and capability to reduce emissions in the next century. We have also engaged in a broad series of roundtable discussions with industry and non-governmental organizations to scope out common ground and identify key issues. In June, the State Department hosted a major conference on the market opportunities that are emerging as nations begin to tackle the challenge of reducing greenhouse gas emissions. There are a range of technologies and business interests that American firms are superbly positioned to take advantage of as nations all over the world seek to enhance efficiency and deploy new technology in

service of economic and environmental goals.

To advance our preliminary work and follow-up on the framework outlined in Geneva, the Administration has established an unprecedented and comprehensive interagency process, under the direction of the Department of Commerce and including DOE, EPA, CEA, and all other appropriate agencies and Administration representatives. When the process is completed, this team will have created an analytic "toolbox" capable of assessing the economic effects of a broad range of climate change policies, in terms of growth, employment, sectoral and industry effectiveness, competitiveness and other issues. In addition, as preparation for the negotiations ahead, we are considering approaches to a number of the elements of the framework we proposed in Geneva, such as options for advancing the commitments of developing countries and similar issues that will be discussed in the months ahead.

As always, we will work closely with the Congress, industry and the public at large. We have already begun some of this work, through these hearings and in a wide variety of meetings over the past several months. Together, I believe we can ensure that United States plays a lead role in fashioning an agreement next year that is comprehensive, flexible, fair and certain. In this way, we hope to outline an agreement that will help prepare our country and the world -- environmentally and economically -- for the 21st century.

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THE CHAIRMAN

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

Statement before the House Commerce Subcommittee on Energy and Power

Dr. Janet Yellen

Chair, Council of Economic Advisers

Tuesday, July 15, 1997

Good afternoon, Mr. Chairman and members of the Subcommittee. I appreciate the opportunity to discuss with you today the economics of global climate change.

Introduction

In his speech to the United Nations Special Session on Environment and Development in June, President Clinton emphasized that the risks posed by global climate change are real and that sensible preventive steps are justified. This assessment accords with the views of the more than 2300 economists, including 8 Nobel laureates, who signed a statement supporting measures to reduce the threat of climate change. The economists endorsed the conclusions from last year's report by the Intergovernmental Panel on Climate Change (IPCC), which said that governments should take steps to reduce the threat of damage from global warming, and went on to argue that market-based policies can slow climate change without harming the American economy.

At this time the Administration has not settled on a particular set of new policies to reduce greenhouse gas emissions. Instead, the President indicated in his U.N. speech that he intends to engage in a discussion with all interested parties about the problems posed by

greenhouse gas accumulations and the costs and benefits of corrective action. To this end, the President will hold a White House conference on climate change later this year, and Members of his Cabinet and other senior Administration officials will meet with Members of Congress, scientific and economic experts, environmentalists, local government officials, and business and labor leaders on a regular basis over the next several months to discuss issues related to climate change. This process is intended to inform the Administration's decision-making process, which will culminate in a U.S. policy position in the international negotiations in Kyoto in December of this year.

An important step in this -- and any -- policy process is determining the impact it will have on the American economy. President Clinton's top priority, since his first days in office, has been revitalizing the U.S. economy, creating jobs and investing in people and technology to enhance long-term growth. And, we have made tremendous progress. The President is not going to jeopardize that progress. Any policy he ultimately endorses on climate change will be informed by his commitment to sustaining a healthy and robust economy.

In my testimony today, I would like to describe some of the principal lessons that emerge from the voluminous literature, much of it relatively recent, on the economic impacts of policies to address global climate change.

Underlying Uncertainties

Before I begin my discussion of the economic literature, I would like first to acknowledge the uncertainties associated with estimating both the costs and benefits of reducing greenhouse gas emissions. To provide some perspective: as you all know, it is difficult to gauge exactly what impact the balanced budget agreement will have on the U.S. economy's growth rate, levels of employment, interest rates and consumption over the next five years. But with global climate change, it is orders of magnitude more difficult to gauge the effects on the economy: we are concerned with not just the next five years and not just the American economy, but, rather, we are dealing with economic and physical processes that operate globally and over decades, if not centuries.

Although a great many scientists believe that global climate change is already underway, the more serious potential damages associated with increasing concentrations of greenhouse gases are not predicted to occur for decades. This means that the benefits of climate protection are very difficult to quantify. And, while the potential costs of reducing greenhouse gas emissions may be more immediate, they too, as I will discuss below, are difficult to predict with any certainty. Many unanswered questions exist about the biophysical systems, potential thresholds, and economic impacts. In short, if anybody tells you that he or she has the definitive answer as to the costs and benefits of particular climate change policies, I would suggest that you raise your collective eyebrows.

Lessons from the Economic Literature

Let me now turn to the economic literature and try to summarize what I think we know so far about this difficult topic. Most economists have not addressed the benefits of climate protection, but rather have focused on the costs associated with alternative paths for reducing greenhouse gas emissions. The economic literature includes estimates using many different models to evaluate numerous alternative emission reduction strategies. In fact, because there are so many different models, economists initially faced difficulties in comparing results: they could not sort out the extent to which differences in results stemmed from differences in models and assumptions versus differences in baseline emission paths and policies. To solve this problem, thereby enabling meaningful comparisons, many economists have calibrated the various models by performing a standardized simulation. Specifically, they have assessed the consequences of stabilizing greenhouse gas emissions at 1990 levels by 2010 or 2020.

Within the Administration, a staff level working group -- the Interagency Analysis Team (IAT) -- has attempted to estimate some of the economic implications of climate change policies. They took the emissions scenario most often used in academic literature -- that is, stabilizing emissions at 1990 levels by 2010 -- as the starting point for their own analysis. I would emphasize that this scenario is not Administration policy; instead, it was picked to make comparisons with other models easier. The staff group employed 3 different models -- the DRI model, the Second Generation Model (SGM) and Markal-Macro model, all commonly available in the public sphere. In running these models, the staff adopted a common baseline and, to the maximum extent possible, similar economic assumptions. This modeling effort produced some

useful lessons, but as we found from the peer reviewers' comments, it also suffered from some serious shortcomings. Both the lessons and the shortcomings point to one clear conclusion: the effort to develop a model or set of models that can give us a definitive answer as to the economic impacts of a given climate change policy is futile. Rather, we are left with a set of parameters and relationships that influence estimates of the impacts. In my view, it is more productive to employ a broad set of economic tools to analyze policy options than to seek to develop a single definitive model.

I understand that a draft of the staff analysis was given to the Subcommittee this morning, along with the reviewers' comments. I would be happy to answer any questions you may have about this modeling effort.

The Lessons. Modeling efforts both inside and outside the Administration clearly indicate that economic analysis can do no more than estimate a range of potential impacts from particular policies and highlight how outcomes depend on underlying assumptions about how the economy works and the ways in which policy is implemented. However, the economics literature on climate change does point to several important lessons:

How the economy works. First, the magnitude of the costs of reducing greenhouse gas emissions in the various models depends crucially on a number of key assumptions about how the economy works. For instance:

- If firms in the economy can shift from high-carbon to low-carbon energy sources quickly, the costs of climate protection will be lower.
- If the economy has significant opportunities, even now, to employ energy-saving technology at low costs, the costs of climate protection will be lower.
- If technological change occurs at a rapid rate, or is highly responsive to increases in the price of carbon emissions, the costs of climate protection will be reduced.
- If the Federal Reserve pursues a monetary policy oriented toward keeping the economy at full employment, transitional output costs will be lower.

In short, the greater the substitution possibilities and the faster the economy can adapt, the lower the costs.

How the plan is implemented. Second, costs depend critically on how emission reduction policies are implemented. It boils down to this: if we do it dumb, it could cost a lot, but if we do it smart, it will cost much less and indeed could produce net benefits in the long run. The over 2300 signatories of the economists' statement argued that any global climate change policy should be rely on market-based mechanisms. Such mechanisms allow for flexibility in both the timing and location of emission reductions, thereby minimizing the costs to the U.S. economy. The economists concluded that "there are policy options that would slow climate change without harming American living standards, and these measures may in fact improve U.S. productivity in the longer run."

- The speed at which emissions reductions are required can have large effects on the estimated costs. It is important to allow sufficient lead-time for orderly investment in new equipment and technology. Alternatively, if emission reduction requirements are too far off in the future, the incentives to adopt energy efficient technologies are weakened because people may not view the policy as credible.
- A “cap and trade” system in which emission permits are issued and then traded among firms can substantially reduce the cost of meeting an emissions target by creating incentives for emissions to be reduced by those firms and in those activities where costs are lowest.
- International emission permit trading substantially lowers costs by applying the same cost-minimizing principle globally.
- So-called “banking” and “borrowing” of permits increases flexibility and lowers costs by allowing firms to change the timing of their emission reductions.
- Joint implementation, whereby US firms would receive credit for undertaking emission reductions in countries with low abatement costs, would also lower the domestic burden.

An additional aspect of implementation that profoundly affects the costs of reducing emissions concerns “revenue recycling.” In many model simulations, emissions are reduced by using various market mechanisms. For many of these scenarios, the Federal government realizes an increase in revenues. Economic growth can receive a

long-term boost if these revenues are used to reduce distortionary taxes that diminish the incentives to invest, save or work, or if the revenues are channeled into deficit reduction, thereby lowering interest rates and boosting investment. In fact, in some models and scenarios, emissions reduction generates a net economic benefit when the revenues are recycled in a growth-promoting fashion.

Which countries participate. The third lesson that emerges from a study of the economics of climate protection is that developing, as well as developed, countries must be part of the process. While developed countries are responsible for most of the greenhouse gas currently in the atmosphere, developing countries are starting to catch up. By 2040, the largest fraction of emissions is estimated to come from developing countries. Thus, any comprehensive plan to deal with this global problem must include a mechanism to bring developing countries into the process.

The timetable for the inclusion of developing countries is also important. The sooner that developing countries face incentives to move away from carbon intensive energy sources, the less likely it is that they will become dependent on those types of fuels to spur their economic growth. In short, global problems require global solutions. We must find the technologies and solutions to lead the way.

Conclusion

Let me conclude. Policies to promote economic growth, create jobs, and improve the living standards and opportunities of all Americans have been and always will remain the top priority of the President and his Administration. In his remarks to the Business Roundtable on global climate change, the President said “[l]et’s find a way to preserve the environment, to meet our international responsibilities, to meet our responsibilities to our children, and grow the economy at the same time.”

Some of the key economic lessons we have learned that will help us achieve the President’s goal include:

- Inherent uncertainty dictates that models should be expected to generate only a range of economic impacts, not definitive answers.
- Key assumptions about how the economy works directly influence the estimated costs of climate protection.
- Implementation of any policy needs to be market-based and flexible over time and space to achieve the lowest cost reductions.
- All nations, both developed and developing, need to participate.

Thank you. I would be happy to answer any questions you may have.

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U.S. HOUSE OF REPRESENTATIVES

Testimony of Eileen Claussen

Administration Statement

before the
Subcommittee on Energy and Power
of the Committee on Commerce
U.S. House of Representatives

September 26, 1996

Thank you Mr. Chairman and Members of the Subcommittee.

It is a pleasure for us to be here today to share with you the results of the recently held Second Conference of the Parties (COP-2) to the United Nations Framework Convention on Climate Change. We would also like to discuss the process through which we reached the U.S. position, and where we expect to go from here.

Most importantly, the U.S. position at COP-2 reflects our increased concern about climate change as reflected in the latest international assessment report of the Intergovernmental Panel on Climate Change. Prepared by over 2,500 of the world's

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leading experts, this report concluded that the balance of evidence suggests that human actions are influencing the climate system and that many of the possible impacts will be adverse to human health and to our environment.

The U.S. delegation to COP-2 was led by Undersecretary for State for Global Affairs, Timothy E. Wirth, for the Ministerial portion of COP-2. In his July 17 statement to the Parties to the Convention, the United States called for next steps under the Climate Convention for the post-2000 period to include realistic and achievable, legally binding targets that would be implemented through flexible national programs and produce real environmental benefits. The U.S. position also underscored the need for all nations, including developing nations, to take actions to limit greenhouse gas emissions. Finally, we called for work on a longer-term goal (e.g. 50-100 years) so that we have a clearer path for the future that allows the private sector to expand sensibly as it plans and makes investment decisions.

We arrived at this basic framework for a number of reasons. It was clear that the Convention's existing framework of a non-binding "aim" was not working. Most developed countries, including the United States, will not achieve the goal of stabilization in 2000 at 1990 levels. A binding commitment will create a stronger incentive for nations to be realistic in deciding on a target to make the effort required and ensure a level playing field. In addition, from the

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analyses completed to date, we determined that more flexible approaches offer significant cost-saving opportunities that should be brought into the Convention's basic framework.

Equally important, the U.S. statement at COP-2 specifically rejected existing proposals by other countries because they called for inflexible, one-size-fits-all, policies and measures that would harm U.S. competitiveness; because they contained unrealistic short-term cuts in emissions; or because they failed to provide for cost-effective, flexible implementation.

Finally, the U.S. position fully recognized the need for global climate change to be addressed on a global basis. As a result, we called for a continued commitment by developing nations to enact policies and measures aimed at reducing their emissions of greenhouse gases. While recognizing that developed countries must show leadership in addressing this problem, we also made it very clear that all nations must be part of the solution.

Ultimately, the U.S. statement helped energize Ministers and other heads of delegation to issue a Ministerial declaration, now called the "Geneva Declaration." Ministers from nearly all Parties to the Convention endorsed this statement. The only countries that opposed this Declaration in its entirety were the OPEC countries; limited issues were raised by Russia, Australia and New Zealand.

The Geneva Declaration endorses an approach to next steps that includes a legally binding target for developed countries, in conjunction with advancement and implementation of commitments of developing countries. It affirms the Ministers' intent to complete negotiations on an agreement in time for adoption by the Third Conference of the Parties (COP-3). COP-3 will take place in Kyoto, Japan in December 1997.

Let us briefly review what is contained in the Geneva Declaration, and perhaps equally importantly, what is not.

The Geneva Declaration:

- endorses the Second Assessment Report of the Intergovernmental Panel on Climate Change, stating that the Report provides the scientific basis for urgently strengthening action at the global, regional and national levels;
- adopted the U.S. call for legally binding medium-term targets by instructing negotiators to pursue legally-binding targets and timetables in the final agreed instrument;
- calls for continuing to advance the implementation of existing commitments for all Parties, including developing country Parties;

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- directs negotiators to include in the agreement a mechanism for reviewing and, where necessary, strengthening whatever commitments are set; and
- calls for commitments to speed up the development, application, diffusion and transfer of climate friendly technologies.

Unfortunately, there has been some confusion in the popular and trade press about the Declaration. Let us clarify some of this confusion by explicitly telling you what is not included in the Geneva Declaration:

- it does not set either the level or the timetable for greenhouse gas reductions that are to be negotiated over the next 16 months;
- it does not support any proposed target or timeframe tabled in the negotiations by others;
- it did not adopt the call by some Parties for "harmonized" policies and measures, so Parties are able to use flexible and cost-effective measures to achieve whatever target is agreed to;
- it does not reject voluntary programs;

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- it does not in any way close the door on emissions trading or joint implementation; and
- it calls for advancing the implementation of existing obligations to reduce greenhouse gas emissions for all countries, including developing countries.

While the Administration believes the declaration language is clear on the role of emissions trading and joint implementation, the U.S. delegation wanted to leave no doubt. In a clarifying statement, we noted that meeting a target must allow for maximum national flexibility, including the use of joint implementation and international emissions trading.

With the core elements of the U.S. framework included in the Geneva Declaration, we believe that we have successfully shifted the negotiating process away from rhetorical positions to more meaningful and realistic objectives about what can and needs to be accomplished. Within this framework, the United States will be in a far better position to discuss the environmental challenges and economic consequences of possible actions leading up to COP-3.

The U.S. proposed framework, based on a flexibly implemented, binding target and timetable was arrived at following an extensive and careful consultation process with the private sector, nongovernmental organizations, and

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Congress. Since the last meeting of the Ad-Hoc Group on the Berlin Mandate in March, the Administration has been outlining the broad themes of what we would like to see come out of the Berlin Mandate process. These themes were explicitly stated in our testimony before the Committee last June. They included: a realistic goal leading to real and achievable reductions; flexibility in implementation (i.e., a rejection of the notion that a single policy option or set of measures can be harmonized to apply uniformly to all Parties); and an agreement that lays the foundation for continuing progress by all nations in the future. While no formal position had yet been cleared at the time of the June hearing, the above principles presented at the hearing served as the basis for that position.

In preparation of our position in Geneva, the Administration held a number of roundtables and briefings to consult with interested parties -- on this issue, on the array of other questions surrounding the implementation of the Convention, and on the course of negotiations on next steps.

For example, Assistant Secretary of State for Oceans, International Environmental and Scientific Affairs Eileen Claussen, hosted three roundtables designed to bring together high level industry and environmental NGO representatives to discuss the international negotiating process and to explore possible U.S. positions. Senior representatives from approximately 30 leading corporations representing the gas, oil, coal, chemical, automotive, insurance and electric utility

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industries attended two of those gatherings, while more than a dozen top officials from environmental organizations attended the third.

The individuals invited were asked to consider five topics and to come to the roundtable prepared to discuss them. The topics were 1) targets and timetables; 2) policies and measures; 3) developing country commitments; 4) further actions under the Convention after 1997; and 5) the value of multilateral agreement under the Convention and under separate bilateral or regional efforts.

The roundtables were useful and informative. Some participants expressed a number of concerns about the negative impact which mandatory, sector-specific, policies and measures could have on the competitiveness of industry. Other business participants acknowledged global warming as a problem and sent a message loud and clear: create a system that gives a consistent, long-term signal to industry to allow for cost-effective implementation; preserve industrial competitiveness; and don't hurt the economy through ill-considered actions calling for substantial near-term reductions by the 1990 baseline.

Many in this latter group also endorsed the value of continuing the voluntary programs that have already been implemented under the President's Climate Change Action Plan to

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begin to address greenhouse gas emissions. The Administration remains committed to working with all our partners in the private sector to continue and enhance voluntary approaches.

In addition to these roundtables, a number of additional briefings with industry and environmental organizations took place before and during the COP-2 meetings. Congressional staff were also briefed, formally and informally, prior to, throughout, and following the COP-2 meetings. Staff from key agencies involved in the climate change issue have been holding regular meetings with interested parties to learn about their objectives and concerns.

These meetings and the analyses presented to date have shaped key elements of the proposed U.S. framework. For example, preliminary analyses demonstrated the high costs and impacts on competitiveness of significant short-term reductions while also demonstrating the substantial cost-savings from flexible implementation approaches such as emissions trading and joint implementation. Stakeholder meetings underscored the need to avoid sector-specific harmonized policies and measures and the desirability of working toward a long-term concentration goal to help guide corporate planning and investments.

The Administration continues to develop a reasoned and transparent economic analysis to support our approach in the

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international climate change negotiations. We intend to understand better the effects on economic growth before formally presenting specific proposals in future negotiations.

It is to this end that the Administration is building a strong analytic capability. A number of departments and agencies, principally among them the Department of Energy and the Environmental Protection Agency, have been involved in an Interagency Analysis Team charged with developing the capability to analyze climate change proposals. Sound analysis requires common approaches to models, underlying assumptions, and the like.

To that end, Under Secretary of Commerce for Economic Affairs Everett Ehrlich has agreed to lead this interagency team and bring the process to closure. In this role, Mr. Ehrlich is meeting regularly with DOE, EPA, Treasury, Commerce, and other agency representatives to discuss analytic approaches and to set in motion a process that leads to conclusions. When the process is concluded, we will have constructed an analytic "toolbox" capable of better assessing the economic effects of a broad range of climate change policies, in terms of growth, employment, sectoral and industry effects, and other issues. Two of the witnesses here today testified at the Subcommittee's June hearing regarding the analytical workshop in June where over 50 papers were presented. Our current efforts are an extension of that process; we commit to involving stakeholders extensively in the review of additional analyses prior to decisions on specific policies.

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The United States has not yet proposed a specific target and timetable, nor have we yet defined a structure for such a binding target. We have rejected the proposals tabled to date, including the proposal supported by several small island countries for a 20 percent reduction in CO2 emissions by Annex I Parties by 2005. We are considering a variety of alternative structures for targets and timetables to maximize flexibility and minimize costs (for example, using a multiyear rolling average). We are working, through our analysis and assessment process, to determine the appropriate target from an economic and environmental perspective. We seek a range of options that can meet our environmental goals while safeguarding economic growth and U.S. competitiveness.

Undersecretary Wirth's July statement specifically called for negotiations to focus on a medium-term target and to continue working toward a longer-term concentration goal. We rejected any target which called for an unrealistic near term goal. We have heard repeatedly from many in industry that the government should send a consistent and long-term signal that allows industry to implement whatever policy is chosen prudently and cost-effectively. We heard that message and incorporated that goal in our decision to call for a binding target. This will give a decade or more of planning lead time to those who may be affected to internalize the target into their decisionmaking, and to begin working now to plan the most

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effective way to get there, and speed the development and deployment of the technologies that are needed in a longer-term response to climate change.

We are still in the process of resolving some of the critical issues related to future actions to reduce greenhouse gas emissions. We are continuing to work on the following areas: the type of medium-term target; an emissions trading/joint implementation scheme; questions of compliance and enforcement; and options for advancing the commitments of developing countries. By early next year, we will develop more specific proposals on each of these areas.

We would like to reiterate that the Administration believes that any future commitment must be predicated on ensuring that the U.S. economy remains robust and internationally competitive. We also want to recognize and build on the successes of our partners in the private sector whose early efforts have significantly reduced greenhouse gas emissions and saved consumers and businesses millions of dollars in energy costs through actions taken under the Climate Change Action Plan. We will ensure that partners making voluntary reductions get proper credit for their efforts in any future regime.

We look forward to working with you here in Congress, and with other interested parties, to frame an arrangement that is legitimate, credible, consistent with U.S. economic objectives, and environmentally appropriate.