ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: null@postbox.co.uk (null@postbox.co.uk [UNKNOWN])

CREATION DATE/TIME:29-JAN-1998 20:41:32.00

SUBJECT: Politics This Week (January 23rd - January 29th 1998)

TO: economist-politics@postbox.co.uk (economist-politics@postbox.co.uk [UNKNOWN])
READ:UNKNOWN

TEXT:
****
Welcome to Politics This Week
A summary of the world's main events from The Economist
Also available at http://www.economist.com
****

IN THE ECONOMIST THIS WEEK

If Bill Clinton is shown to have lied about his relationship with Monica Lewinsky, he should go * Is Microsoft driven by strategy or by nature? * Iraqis and their leader are rediscovering Islam * Downing Street has interns too * Its pending merger with UBS may bring Swiss Bank some unexpected problems * The Disneyfication of US winter sports looks unstoppable * The days of the hearing aid may be numbered *

You can read these articles, and many more, in the free area of The Economist Web Edition, at http:\\www.economist.com. The free selection is changed every Friday, Monday and Wednesday.

****
SELF-DENIAL

+ The United States was consumed with the allegation that PRESIDENT CLINTON had had a sexual relationship with a White House intern, Monica Lewinsky, and had persuaded her to lie about it on oath. The president strongly denied it, and his wife defended his good name on the morning television talk-shows, saying that her husband was the victim of "a vast right-wing conspiracy". Miss Lewinsky bargained for immunity from prosecution with Kenneth Starr, the independent counsel investigating the Whitewater affair.

+ Without mentioning the scandal, Mr Clinton delivered his STATE-OF-THE-UNION message to Congress. He promised that expected budget surpluses would be used first to shore up the rickety Social Security (pensions) system.

+ Theodore Kaczynski, the so-called UNABOMBER, agreed to plead guilty in exchange for a life sentence rather than execution.

+ Canadians and Americans tried to cool their west-coast SALMON WAR.

+ Researchers using the Hubble space telescope reported that Proxima Centauri, the star nearest to earth (bar the sun), has something orbiting it -- not a planet, alas, but a BROWN DWARF, a failed star.

+ The pope concluded his visit to CUBA with a mass in Havana. He denounced the American embargo, but called for more freedom. Parts of the crowd burst into cries for libertad.

+ Rifts widened in ARGENTINA's ruling party, as friends of President Carlos Menem tried to open the legal possibility of a third term for him. His would-be successor, Eduardo Duhalde, said that would be a "judicial coup d'etat."

SACRIFICED

+ Japan's finance minister, Hiroshi Mitsuzuka, resigned, taking responsibility for the disgraced FINANCE MINISTRY, where two officials were accused of taking bribes.

+ China softened towards TAIWAN, calling for a renewal of talks on commercial links between the two countries that have been suspended since 1995. But Taiwan appeared to reject the approach, saying that China, which regards the island as a rebel province, had to treat it as an equal.

+ In Madras 26 people were sentenced to death for taking part in the MURDER OF RAJIV GANDHI in 1991, when he was campaigning to be elected as India's prime minister again. They were said to be members of, or connected to, Sri Lanka's Tamil Tiger secessionist movement.

+ SONIA GANDHI, Rajiv's Italian-born widow, boosted the Congress party's chances in India's upcoming general election by promising to make 100 speeches. But she again declined to stand for parliament.

+ The TAMIL TIGERS bombed the Temple of the Tooth, Sri Lanka's holiest Buddhist shrine, killing 16 people.

PICK-ME-UP

+ Even as RUSSIA's stockmarket disintegrated, President Yeltsin announced a 12-point plan to revive the economy. It calls, among other things, for tax cuts and land reform.

+ Britain's prime minister, Tony Blair, announced a new inquiry into BLOODY SUNDAY -- the day in 1972 when the British army killed 14 demonstrators in Northern Ireland. It was hoped that the announcement would address nationalist grievances, and bolster the chances of securing a peace settlement.

+ The European Union is to give $6.6m to a moderate new government of Bosnia's SERB REPUBLIC, from which it had previously withheld aid.

+ SWITZERLAND and the EU agreed on the cost of tolls to be levied on EU trucks passing through the Swiss Alps, thus making a long-sought trade deal more likely.

+ A TURKISH government report said that agents of the state were involved in drug-trafficking, killing Kurds, and extortion. The prime minister, Mesut Yilmaz, used the findings to attack Tansu Ciller, one of his predecessors.

+ The pope told GERMANY's Catholic church to stop issuing "counselling certificates", which women need before they can have an abortion.

+ The CZECH parliament gave a vote of confidence to a new government, led by a non-party banker, which will rule until a general election, probably in June.

+ ROMANIA's Social Democrats walked out of the ruling centrist coalition, but said they will support the government if it proceeds with economic reforms.

+ SLOVAKIA's parliament seemed unlikely to elect a successor to President Michal Kovac, due to quit in March.

STILL MEDIATING

+ In a last-ditch bid at Iraqi-UN MEDIATION, Russia sent a mission to Baghdad. America, preparing for a military strike against Iraq, sent its secretary of state off to talk to the British, French and Russian foreign ministers. She will continue on to Kuwait, Bahrain, Saudi Arabia and Egypt.

+ Gro Harlem Brundtland, a former Norwegian prime minister, was nominated to be director-general of the WORLD HEALTH ORGANISATION. The Americans, and others, look to her to revive a UN agency, once great but now long demoralised.

+ BURUNDI's defence minister, Firmin Sinzoyiheba, was killed in a helicopter crash. A powerful figure in the current Tutsi-dominated regime, he had also served under the president who was deposed in a 1996 coup.

If you find our summaries service useful, please tell your friends.
Invite them to subscribe by forwarding this e-mail to them.

FOIA Number:

Clinton Presidential Records
Foreign Language Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff to identify the location of a document written in a foreign language

Foreign Language Marker

Collection: Clinton Presidential Records

Subgroup: Automated Records Management System [Email]

Series: Default

Subseries: [Menem]

Document Title Mescudero@oas.org to richard j. baum at 20:00:01.00.
Subject: Noticias / News 2-4

Language: Spanish

Folder Title [01/29/1998 - 11/23/1998]

OA/ID: [Menem]

ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: Gene Borio <geneb@www.dx.com> (Gene Borio <geneb@www.dx.com> [UNKNOWN])

CREATION DATE/TIME:13-APR-1998 15:52:51.00

SUBJECT: 04/07/98 News 2 of 4

TO: geneb@www.dx.com (geneb@www.dx.com [UNKNOWN])
READ:UNKNOWN

TEXT:
**---

Hotels pleased with report on smoking

The Edmonton Journal Section CANADA Page A13
Tuesday, March 10, 1998
From The Edmonton Journal - Final EDITION

Restaurant and hotel lobby groups rejoiced Monday that a study was unable to find evidence that second-hand cigarette smoke causes cancer. Anti-smoking lobbies refused to believe a word of it.

The Journal carried a story Sunday that said the World Health Organization (WHO) commissioned a 12-centre, seven-country European study that found no statistical relationship between second-hand smoke and lung cancer. The WHO hasn't yet released the report, however. The story was based on a summary of the report's studies.

"I'd like to see the actual study released, but if it is credible it should have an effect on the campaign against smoking in restaurants that's under way," said Lindy Rollingson, president of the Alberta Restaurant Association.

Such a study would likely stop legislation that would totally ban smoking in restaurants, Rollingson said.

"It would obviously affect our business," said Jim Hansen, executive vice-president of the Alberta Hotel Association. "People who smoke tend to go out more than non-smokers."

Hansen hopes that by blocking a total ban on smoking in hotel bars and dining rooms, the report would actually result in cleaner air. It would do that by encouraging hotel owners to install air filters that would take out all pollutants, including cigarette smoke. Banning smoking would simply drive a hotel's best customers away and the businesses would then have no incentive and little money to install proper air filtration, Hansen said.

The executive director of Action on Smoking and Health considers stories about the study to be verging on fraud.

"It looks like this is a bogus report," Les Hagen said. "This is like the kind of trick they pulled in the movie Wag the Dog."

Hagen based his accusations on previous reports that showed second-hand smoke increasing the risk of cancer and on a Monday story in the Ottawa Citizen. In that story, the Ottawa-based lawyer for the Non-Smokers' Rights Association blasted the study. "This is simply not sound science," said David Sweanor.

"The only place we have seen this kind of garbage is from the tobacco industry." Jim Repace, a Maryland-based author of 50 papers on second-hand smoke, called the study "propaganda, not science." A recent study by the California State Environmental Protection Agency not only links second-hand smoke with lung cancer but with nasal sinus cancer as well, said Repace.

The acting chief of the UN's tobacco program denied any knowledge of the study. Neil Collishaw, who works in the WHO's Geneva offices, said "this was certainly nothing done in my office."

The hotel association's Jim Hansen says that no matter what studies show, filtering air is still more effective than banning smoking altogether in bars to promote health.

If people want to smoke, they'll smoke, Hansen said. If non-smokers want to be with their smoking friends, they'll go somewhere where smoking is allowed and they'll end up breathing second-hand smoke. "Our problem is, when people come into a bar, if five don't smoke and one does, they'll go to a place where that one person can smoke, and we end up losing those six clients."

- Jim Farrell, Journal Staff

**--

B.C. hikes penalties for selling smokes to minors

CP
March 23, 1998

VANCOUVER (CP) Small local retailers can make a big difference in the fight against tobacco addiction, Health Minister Penny Priddy said Monday.

Priddy made the comment at an anti-tobacco conference held as new regulations governing the sale of tobacco products went into effect in British Columbia.

She said big national retail chains are much more likely to carry in-store tobacco advertising than small local retailers.

Priddy said 53 per cent of national stores have such ads, compared to only 23 per cent of locally owned B.C. stores.

"We've got a long way to go yet in stopping promotion aimed at children and the big chains have got to come on board," she said.

"But if decisions are left up to local retailers they make the right choice. Small local retailers understand that it's their kids in their town who are being targeted."

Under new regulations effective Monday, the fine for selling cigarettes to anyone under 19 doubles to $500.

The rules also require sellers to post new health warnings and age-limit signs.

**---

B.C. ads against tobacco disputed
Manufacturers accuse the provincial government of misleading the public about the ingredients of cigarettes

Vancouver Sun
March 27, 1998
By Pamela Fayerman, Sun Health Issues Reporter

Tobacco companies accused the provincial government Wednesday of "seriously misleading and misinforming" the public about the ingredients in cigarettes.

The industry says it takes issue with ads currently appearing on buses that claim tobacco companies are hiding the presence of numerous deadly chemicals, poisons, and metals in cigarettes and cigarette smoke.

The government wants the industry to list those substances as ingredients on packages containing tobacco products.

"They're trashing the industry with information that is misleading, factually incorrect and a gross exaggeration," Marie-Josee Lapointe, vice-president of communications for the Canadian Tobacco Manufacturers Council, said from Ottawa.

In a letter sent Wednesday to B.C. Health Minister Penny Priddy, the president of the tobacco council, Robert Parker, denied manufacturers use any additives, with the exception of menthol, in cigarettes.

(The ads admit in small print that the substances are not added by the manufacturers.)

Parker's letter said two of the twelve constituents the government wants manufacturers to include on package labels - and which are mentioned on the current government-sponsored bus advertising campaign - are not added or present in the smoke of Canadian cigarettes.

It said the others occur naturally in tobacco in minute quantities and are also present in many food products.

But the health ministry, which commissioned the ads as part of a $1.5-million anti-tobacco advertising campaign and one component of its $5-million tobacco-use reduction strategy, insisted Wednesday they are accurate.

"We stand by our information which we got from an expert committee which analyzed cigarettes for Health Canada," said Jeff Gaulin, a communications officer for the health ministry.

He said that the letter from Parker represents "the first time the tobacco industry has admitted to having at least 10 poisons in cigarettes, and this is just the first step in our promise to get the whole truth."

Parker's letter said two of the substances mentioned in the ad - turpentine and methoprene - are not used in Canadian tobacco brands.

Parker also took a swipe at the government for saying that propylene glycol is present in both cigarettes and radiator anti-freeze.

He said that the chemical is used for moisture retention in some types of tobacco and is a government-approved food additive that "is not used in automobile radiator anti-freeze."

He said the other ingredients "are substances which are ubiquitously present in the water, air, and environment all around us in much greater quantities than are found in cigarettes."

"Not one of the constituents listed by your ministry is unique to cigarettes or cigarette smoke," the letter said.

**---

THIRTY-FOUR BRITISH COLUMBIA ARTS GROUPS RECEIVE DU MAURIER ARTS COUNCIL GRANTS

CNW
April 6, 1998

Attention News Editors, culturels, arts & spectacles:

MONTREAL, April 6 /CNW/ - Thirty-four British Columbia arts groups, whose programs range from dance and theatre to chamber and symphony music, have been awarded grants by the du Maurier Arts Council, Canada's largest private-sector source of arts funding.

With the awarding of the 1998 grants, the du Maurier Arts Council reached a significant and notable milestone: it surpassed the $50 million mark in total contributions to the arts - comprising direct cash grants, capital funding for venues and support to arts programs - since the Council's inception in 1971. Some 400 arts organizations have been assisted by the du Maurier Arts Council program over the years.

The British Columbia recipients are among an unprecedented total of 215 Canadian arts groups, from every province and territory in the country, which will share a record $1.85 million in 1998 grants from the du Maurier Arts Council. Forty-three of the 215 arts organizations are first-time recipients.

The various British Columbia arts groups which received du Maurier Arts Council grants will be presenting their events throughout 1998. ``At a time when it is increasingly difficult for arts organizations in this country to obtain funding to pursue their artistic projects, we are pleased, as a long-time supporter of the arts in Canada, to be able to continue to encourage such endeavors," said Chris de Minckwitz, who was recently named the new President of the du Maurier Council. ``We are constantly struck by the energetic and creative spirit that abounds in the artistic community, and the wealth of talent which is out there is certainly reflected in the grant applications the Council receives."

The du Maurier Arts Council was established in 1971 with a mandate to support and nurture innovative artistic projects and activities geared to attracting new audiences to established art forms, thereby fostering the growth and development of the arts in Canada.

Mr. de Minckwitz said he is especially pleased by the increased number of arts groups receiving du Maurier Arts Council grants.

``Over the last few years, the ratio of grant recipients to grant applicants has been steadily increasing," he noted. ``In the early 1990s, our budget only permitted us to award grants to about 45% of the groups that applied. This year, we have been able to award grants to 68% of applicants. I think that is very significant because there are some excellent programs out there and the artistic community needs our help more than ever before."

The du Maurier Arts Council grants are distributed annually following a review by the board of directors of applications submitted by the various arts organizations. The Council members are honourary chairman, The Honourable Pauline McGibbon, C.C., chairman Don Brown, president Chris de Minckwitz, and directors Roberta Beiser, Maureen Forrester, C.C., Lonsdale Holland, Marie Lambert, C.M., Cliff Minshull, Don Shipley and Marg Southem, O.C. du Maurier Arts Council

1998 BRITISH COLUMBIA GRANT RECIPIENTS

ARTS CLUB THEATRE
BARD ON THE BEACH THEATRE SOCIETY
EVERGREEN THEATRE SOCIETY
FIRST VANCOUVER THEATRESPACE SOCIETY
GOH BALLET VANCOUVER SOCIETY
JUMPSTART PERFORMANCE SOCIETY
KAMLOOPS SYMPHONY SOCIETY
KEY CITY THEATRE SOCIETY
KOOTENAY CHAMBER ORCHESTRA ASSOCIATION
MASCALL DANCE SOCIETY
MUSIC IN THE MORNING CONCERT SOCIETY
NANAIMO ART GALLERY
PACIFIC BALLET BRITISH COLUMBIA SOCIETY
PINK INK THEATRE PRODUCTIONS
PLAYWRIGHTS THEATRE CENTRE
PRINCE GEORGE SYMPHONY ORCHESTRA SOCIETY

RUBY SLIPPERS
RUMBLE THEATRE PRODUCTIONS
SUNSHINE THEATRE
THE BELFRY THEATRE SOCIETY
THE FIREHALL THEATRE SOCIETY
THE VANCOUVER PLAYHOUSE THEATRE
THE WESTERN FRONT SOCIETY
THEATRE LA SEIZIEME
TOUCHSTONE THEATRE
VANCOUVER CHAMBER CHOIR
VANCOUVER CULTURAL ALLIANCE
VANCOUVER EAST CULTURAL CENTRE SOCIETY
VANCOUVER INTERNATIONAL WRITERS FESTIVAL
VANCOUVER NEW MUSIC SOCIETY
VANCOUVER SYMPHONY
VICTORIA JAZZ SOCIETY
VICTORIA SYMPHONY SOCIETY
WESTERN CANADA THEATRE COMPANY

-0- 04/06/98

For further information: Louise Fleischmann or Diane Jeannotte, Edelman Public Relations Worldwide, (514) 288-8290

**---

FIFTY-TWO ONTARIO ARTS GROUPS RECEIVE DU MAURIER ARTS COUNCIL GRANTS

CNW
April 6, 1998
Attention News Editors, culturels, arts & spectacles:

MONTREAL, April 6 /CNW/ - Fifty-two Ontario arts groups, whose programs range from dance and theatre to festivals and symphony music, have been awarded grants by the du Maurier Arts Council, Canada's largest private-sector source of arts funding.

With the awarding of the 1998 grants, the du Maurier Arts Council reached a significant and notable milestone: it surpassed the $50 million mark in total contributions to the arts - comprising direct cash grants, capital funding for venues and support to arts programs - since the Council's inception in 1971. Some 400 arts organizations have been assisted by the du Maurier Arts Council program over the years.

The Ontario recipients are among an unprecedented total of 215 Canadian arts groups, from every province and territory in the country, which will share a record $1.85 million in 1998 grants from the du Maurier Arts Council.
Forty-three of the 215 arts organizations are first-time recipients.

The various Ontario arts groups which received du Maurier Arts Council grants will be presenting their events throughout 1998.

``At a time when it is increasingly difficult for arts organizations in this country to obtain funding to pursue their artistic projects, we are pleased, as a long-time supporter of the arts in Canada, to be able to continue to encourage such endeavors," said Chris de Minckwitz, who was recently named the new President of the du Maurier Council. ``We are constantly struck by the energetic and creative spirit that abounds in the artistic community, and the wealth of talent which is out there is certainly reflected in the grant applications the Council receives."

The du Maurier Arts Council was established in 1971 with a mandate to support and nurture innovative artistic projects and activities geared to attracting new audiences to established art forms, thereby fostering the growth and development of the arts in Canada.

Mr. de Minckwitz said he is especially pleased by the increased number of arts groups receiving du Maurier Arts Council grants.

``Over the last few years, the ratio of grant recipients to grant applicants has been steadily increasing," he noted. ``In the early 1990s, our budget only permitted us to award grants to about 45% of the groups that applied. ``This year, we have been able to award grants to 68% of applicants.

I think that is very significant because there are some excellent programs out there and the artistic community needs our help more than ever before."

The du Maurier Arts Council grants are distributed annually following a review by the board of directors of applications submitted by the various arts organizations. The Council members are honourary chairman, The Honourable Pauline McGibbon, C.C., chairman Don Brown, president Chris de Minckwitz; and directors Roberta Beiser, Maureen Forrester, C.C., LonsdaleHolland, Marie Lambert, C.M., Cliff Minshull, Don Shipley and Marg Southem,
O.C. du Maurier Arts Coucil

1998 ONTARIO GRANT RECIPIENTS

B.A.A.N.N. THEATRE CENTRE
BLYTH FESTIVAL
BORIS BROTT SUMMER MUSIC FESTIVAL
CANADA DANCE FESTIVAL
CANADIAN OPERA COMPANY
CROW'S THEATRE
DANCEWORKS
DANNY GROSSMAN DANCE COMPANY
DESROSIERS DANCE THEATRE
ELMER ISELER SINGERS
EQUITY SHOWCASE THEATRE
FESTIVAL OF CLASSICS
FESTIVAL OF THE SOUND
FRINGE NORD
GREAT CANADIAN THEATRE COMPANY
HURON COUNTRY PLAYHOUSE
INTERNATIONAL SYMPHONY ORCHESTRA OF SARNIA AND PORT HURON
KAWARTHA SUMMER THEATRE

KINGSTON JAZZ SOCIETY
KINGSTON SYMPHONY ASSOCIATION
LE THEATRE DU NOUVEL-ONTARIO INC.
LE THEATRE FRANCAIS DE TORONTO
LIGHTHOUSE FESTIVAL THEATRE CORPORATION
LONDON BIG BAND MUSIC FESTIVAL
MAGNUS THEATRE COMPANY NORTHWEST INCORPORATED
NECESSARY ANGEL
ODYSSEY THEATRE
OPERA ATELIER
OPERA LYRA OTTAWA
OTTAWA ARTS CENTRE FOUNDATION/ARTS COURT OTTAWA NATIONAL ANIMATION FESTIVAL
OTTAWA INTERNATIONAL JAZZ FESTIVAL
PETERBOROUGH SYMPHONY ORCHESTRA
TAPESTRY MUSIC THEATRE
TARRAGON THEATRE
THE CANADIAN STAGE COMPANY
THE DUFFERIN PLAYERS THEATRE
THE ELORA FESTIVAL
THE ESPRIT ORCHESTRA
THE FIREWORK ENSEMBLE
THE FRINGE: TORONTO'S THEATRE FESTIVAL
THE NIAGARA SYMPHONY ASSOCIATION
THE PLEIADES THEATRE
THE WINDSOR SYMPHONY
THEATRE AQUARIUS INCORPORATED
THEATRE COLLINGWOOD ASSOCIATION INC.
THEATRE LA CATAPULTE
THUNDER BAY SYMPHONY ORCHESTRA
TIMMINS SYMPHONY ORCHESTRA INC.
TORONTO BLUES SOCIETY
TORONTO DANCE THEATRE
TORONTO SYMPHONY ORCHESTRA

For further information: Louise Fleischmann or Diane Jeannotte, Edelman Public Relations Worldwide, (514) 288-8290

**---

SIX SASKATCHEWAN ARTS GROUPS RECEIVE DU MAURIER ARTS COUNCIL GRANTS

CNW
April 6, 1998
Attention News Editors, culturels, arts & spectacles:

MONTREAL, April 6 /CNW/ - Six Saskatchewan arts groups, whose programs range from symphony music to theatre and festivals, have been awarded grants by the du Maurier Arts Council, Canada's largest private-sector source of arts funding. With the awarding of the 1998 grants, the du Maurier Arts Council reached a significant and notable milestone: it surpassed the $50 million mark in total contributions to the arts - comprising direct cash grants, capital funding for venues and support to arts programs - since the Council's inception in 1971. Some 400 arts organizations have been assisted by the du Maurier Arts Council program over the years.

The Saskatchewan recipients are among an unprecedented total of 215 Canadian arts groups, from every province and territory in the country, which will share a record $1.85 million in 1998 grants from the du Maurier Arts Council. Forty-three of the 215 arts organizations are first-time recipients.

Three of the Saskatchewan arts groups receiving grants are based in Saskatoon: SASKATCHEWAN JAZZ FESTIVAL INC., SASKATOON SYMPHONY SOCIETY and SHAKESPEARE ON THE SASKATCHEWAN FESTIVAL. Also receiving grants are GLOBE THEATRE in Regina, the REGINA SYMPHONY ORCHESTRA and RABBIT LAKE AND DISTRICT AGRICULTURAL ASSOCIATION CARLTON TRAIL JAMBOREE in Rabbit Lake.

The various Saskatchewan arts groups which received du Maurier Arts Council grants will be presenting their events throughout 1998.

``At a time when it is increasingly difficult for arts organizations in this country to obtain funding to pursue their artistic projects, we are pleased, as a long-time supporter of the arts in Canada, to be able to continue to encourage such endeavors," said Chris de Minckwitz, who was recently named the new President of the du Maurier Council. ``We are constantly struck by the energetic and creative spirit that abounds in the artistic community, and the wealth of talent which is out there is certainly reflected in the grant applications the Council receives."

The du Maurier Arts Council was established in 1971 with a mandate to support and nurture innovative artistic projects and activities geared to attracting new audiences to established art forms, thereby fostering the growth and development of the arts in Canada.

Mr. de Minckwitz said he is especially pleased by the increased number of arts groups receiving du Maurier Arts Council grants.

``Over the last few years, the ratio of grant recipients to grant applicants has been steadily increasing," he noted. ``In the early 1990s, our budget only permitted us to award grants to about 45% of the groups that applied. This year, we have been able to award grants to 68% of applicants. I think that is very significant because there are some excellent programs out there and the artistic community needs our help more than ever before."

The du Maurier Arts Council grants are distributed annually following a review by the board of directors of applications submitted by the various arts organizations. The Council members are honourary chairman, The Honourable Pauline McGibbon, C.C., chairman Don Brown, president Chris de Minckwitz, and directors Roberta Beiser, Maureen Forrester, C.C., Lonsdale Holland, Marie Lambert, C.M., Cliff Minshull, Don Shipley and Marg Southem, O.C.

For further information: Louise Fleischmann ou Diane Jeannotte, Edelman Public Relations Worldwide, (514) 288-8290

**--

SIX MANITOBA ARTS GROUPS RECEIVE DU MAURIER ARTS COUNCIL GRANTS

CNW
April 6, 1998
Attention News Editors, culturels, arts & spectacles:

MONTREAL, April 6 /CNW/ - Six Manitoba arts groups, whose programs range from symphony music to theatre and festivals, have been awarded grants by the du Maurier Arts Council, Canada's largest private-sector source of arts funding.

With the awarding of the 1998 grants, the du Maurier Arts Council reached a significant and notable milestone: it surpassed the $50 million mark in total contributions to the arts - comprising direct cash grants, capital funding for venues and support to arts programs - since the Council's inception in 1971. Some 400 arts organizations have been assisted by the du Maurier Arts Council program over the years.

The Manitoba recipients are among an unprecedented total of 215 Canadian arts groups, from every province and territory in the country, which will share a record $1.85 million in 1998 grants from the du Maurier Arts Council.

Forty-three of the 215 arts organizations are first-time recipients. Five of the Manitoba arts groups receiving grants are based in Winnipeg: FOLK ARTS COUNCIL OF WINNIPEG INC. (FOLKLORAMA), PRAIRIE THEATRE EXCHANGE, WEST END CULTURAL CENTRE, WINNIPEG FRINGE FESTIVAL MANITOBA THEATRE CENTRE, and the WINNIPEG SYMPHONY ORCHESTRA. Also receiving a grant is LE CERCLE MOLIERE in Saint-Boniface. The various Manitoba arts groups which received du Maurier Arts Council grants will be presenting their events throughout 1998.

``At a time when it is increasingly difficult for arts organizations in this country to obtain funding to pursue their artistic projects, we are pleased, as a long-time supporter of the arts in Canada, to be able to continue to encourage such endeavors," said Chris de Minckwitz, who was recently named the new President of the du Maurier Council. ``We are constantly struck by the energetic and creative spirit that abounds in the artistic community, and the wealth of talent which is out there is certainly reflected in the grant applications the Council receives."

The du Maurier Arts Council was established in 1971 with a mandate to support and nurture innovative artistic projects and activities geared to attracting new audiences to established art forms, thereby fostering the growth and development of the arts in Canada.

Mr. de Minckwitz said he is especially pleased by the increased number of arts groups receiving du Maurier Arts Council grants.

``Over the last few years, the ratio of grant recipients to grant applicants has been steadily increasing," he noted. ``In the early 1990s, our budget only permitted us to award grants to about 45% of the groups that applied. This year, we have been able to award grants to 68% of applicants. I think that is very significant because there are some excellent programs out there and the artistic community needs our help more than ever before."

The du Maurier Arts Council grants are distributed annually following a review by the board of directors of applications submitted by the various arts organizations. The Council members are honourary chairman, The Honourable Pauline McGibbon, C.C., chairman Don Brown, president Chris de Minckwitz, and directors Roberta Beiser, Maureen Forrester, C.C., Lonsdale Holland, Marie Lambert, C.M., Cliff Minshull, Don Shipley and Marg Southem, O.C.

For further information: Louise Fleischmann or Diane Jeannotte, Edelman Public Relations Worldwide, (514) 288-8290

**---

Rock seeks tobacco reprieve
$100-million fund would cushion loss of sponsorship for sports and cultural events

The Globe and Mail
Tuesday, March 31, 1998
By Shawn Mccarthy

OTTAWA -- Health Minister Allan Rock is proposing a $100-million fund to offset the loss of tobacco sponsorship for sports and cultural events, plus at least a two-year reprieve for high-profile car races, government sources say.

Mr. Rock is scheduled to make his pitch to the Liberal cabinet today, after failing to get the endorsement of a cabinet committee last week.

Senior government sources said yesterday that it is highly unusual for a minister to bring such a proposal to the cabinet without winning the approval of a cabinet committee or having a dedicated source of the funding.

"It's a bit of a free-for-all,really," one insider said.

Another senior source added: "We may come out with a decision [today] or we may not. We're expecting a wide-ranging discussion."

Quebec ministers and much of the Quebec caucus have been lobbying hard for generous transition measures, fearing the political backlash if popular car races and music festivals die without the tobacco money. Much of the estimated $65-million a year in tobacco sponsorships is spent in Quebec.

However, Finance Minister Paul Martin has not agreed to the funding, sources said yesterday.

Without a transition fund, the Quebec ministers will push for a four-year delay of provisions that would severely restrict the ability of tobacco giants like Imasco Inc. to market their brand-name products though the sponsorship of popular events.

"We will face real repercussions unless we see some flexibility on the financing issues," said Nick Discepola, a Montreal-area Liberal MP. "This will have a serious impact on the economy of Montreal and we have to be attuned to that."
Under legislation passed last April, tobacco companies will no longer be able to use their logos or brand-names in promotional advertising -- eff ective this Oct. 1 -- for events such as the Grand Prix car race in Montreal or the Du Maurier Open tennis tournaments in Montreal and Toronto.

The act also limits tobacco advertising at the events themselves. For example, it will restrict tobacco brand names to a 10-per-cent strip along the bottom of promotional signs or posters.

Before last June's election David Dingwall, then the health minister, promised to amend the act to allow tobacco logos on racing cars and drivers. Since then, pressure has grown for Mr. Rock to give event organizers more time to replace their tobacco sponsors.

The $100-million fund Mr. Rock is proposing would give the organizers two years to find other funding.

He has also recommended delaying the application of the law for at least another two years, but only for the high-profile auto races. Sources said Mr. Rock wants to stick to the original prohibitions as much as possible.

However, the minister has acknowledged that other groups will scream foul if a special exemption is granted for auto racing. One senior government source said Ottawa could face court challenges from, for example, jazz festivals if they aren't treated equitably.

Cynthia Callard, executive director of Physicians for a Smoke-free Canada, said yesterday that the government should use the money from last month's increase in cigarette taxes to replace tobacco sponsorship.

In February, the tax increased by $1.20 a carton in Ontario, Quebec, Nova Scotia and Prince Edward Island, and by 80 cents a carton in New Brunswick. Ottawa and the provinces each picked up half the increase, which will bring in an estimated $70-million a year.

Ms. Callard said health groups oppose any relaxing of the legislation, on the grounds that tobacco companies sponsor such events in order to create an image that attracts young smokers.

"As long as there is sponsorship promotion, we have lifestyle advertising which means the Tobacco Act is essentially toothless," Ms. Callard said.

The event organizers, who have been scrambling with limited success to replace tobacco money, are arguing against a replacement fund, saying it would be an administrative nightmare.

Instead, they want to delay the sponsorship restrictions for five to seven years.

**---

DEPT OF HEALTH: Publication of Departmental Report

OTC (COMTEX Newswire)
Date: Mon, Apr 6, 1998

APR 6, 1998, M2 Communications -

Department of Health

The eight annual Department Report for the Department of Health was published today. It describes the progress an achievements of the past year and sets out expenditure plans for 1998-99.

Frank Dobson, the Secretary of State for Health, said:

<EXCERPT>

"Since the new government came into power on 1 May, we have:

<EXCERPT>

- secured agreement on a common position for a European Directive to ban tobacco advertising;

**---

FEATURE-Argentine taste for Havana leaf grows

RTw (Reuters World Report)
Date: Mon, Apr 6, 1998
By Robert Elliott

BUENOS AIRES, April 7 (Reuters) - Fidel Castro and Carlos Menem may not see eye-to-eye when it comes to politics, but the Cuban leader is known to send the Argentine president a box of Cohiba Lanceros cigars to puff on while he plays 18 holes.

Menem's taste for the luxury leaf puts him in the company of other notable Argentine cigar smokers such as Ernesto "Che" Guevara, Castro's lieutenant in the 1959 Cuban revolution whose beret and Havana cigar were his trademarks.

Carrying the torch for cigar lovers, but not necessarily for revolution, Che's brother Juan Martin Guevara now caters for Argentines' growing taste for Havanas as head of the exclusive importers of Cuban cigars, Puro Tabaco.

Argentina is expected to import about 2.3 million Havanas from Cuba this year, compared to the 1.5 million boxed Cuban beauties that arrived here in 1997.

"We are convinced the (Argentine) market will continue growing by as much as 70 percent a year," Orlando Fundora, director at Puro Tabaco, told Reuters.

Havana cigars have always had a presence in Argentina but never in largequantities. One of the first to realize the hole in the market was
Aristotle Onassis, who imported and sold Havanas when he lived in Buenos Aires in the 1920s and 30s before going on to make a fortune as a Greek shipping tycoon.

The most common brands found in those days were Partagas and Romeo y Julieta, but the higher quality names such as Montecristo and Cohiba were absent.

GOOD TOBACCO BOUGHT IN EUROPE

"People were accustomed to buying their good tobacco outside of the country in England or Switzerland," Blanca Alsogaray, president of the swank Casa del Habano smoke shop in Buenos Aires, said.

Alsogaray's establishment was the first to introduce the Cohiba, reputedly the world's finest cigar, to Argentina about 12 years ago, along with other top brands such as Ramon Allones, Sancho Panza and Punch. Her Casa del Habano, one of the first of more than 40 around the globe, is the Argentine face of Habanos SA, Cuba's state cigar company.

With the highbrow cigar market now considered sated, Puro Tabaco is concentrating on bringing in machine-made Cuban smokes such as Jose de Piedra, Fonseca and Quinteros for buyers with shallower pockets. A Jose de Piedra media corona goes for $2.40, while a Cohiba Esplendido runs $38.25.

In all, 28 brands of Havana cigars in 165 shapes and sizes are on the shelves in Argentina, from the capital to provinces such as Mendoza, Cordoba and Chubut. The selection is larger than in France, where roughly 9 million Havanas are consumed annually, Fundora said.

Only Spaniards beat the French in Cuban cigar consumption, puffing 30 to 40 million a year. The United States, where premium cigar sales shot up 236 percent between 1993 and 1997 to 370 million, could go up by another 100 million if its embargo on Cuban cigars were lifted, he said.

The reasons for the U.S. boom in cigar smoking hold true in Argentina: a backlash against cigarettes and the flaunting of "stogies" by the rich and famous.

SMOKING HAVANA CIGARS 'IN VOGUE'

"Smoking a Havana is in vogue," Fundora said, adding that celebrities such as Jack Nicholson, Cindy Crawford, Tom Selleck and Arnold Schwarzenegger are known puffers.

Trendy or not, demand for cigars has impelled Cuba to invest in its tobacco plantations with financial help from tobacco companies Tabacalera SA of

Spain and Seita of France, Fundora said. Last year Cuba's cigar production was 103 million units and 1998 output is forecast at 160 million. By 2000 the country is planning to put out 200 million smokes.

"We represent five percent of the world's production," Fundora said. "However, we fix the international price with our top quality."

New Cuban brands have come out recently to further salt the market. The Vegas Robaina was introduced in 1996, Cuaba in 1997 and Trinidad this year. A new torpedo-shaped Cohiba Piramide and a fat Montecristo Robusto are expected by the end of 1998.

The Havana in heaviest demand remains the Montecristo No. 4, a petit corona, followed by the Cohiba Robusto. Those and others are accompanied by aged rum or espresso in the Casa del Habano's leather-clad smoking room, the first to open in Buenos Aires in 1995.

Other nearby cigar shops such as Tabaqueria Bellaggio and the Tabaqueria Inglesa have followed suit with salons for smokers, most of whom tend to be businessmen, lawyers and architects -- but "above all, tobacco lovers," Alsogaray said as she drew on a Sancho Panza Non-Plus.

Many show themselves to be more picky about the cigar they pluck out of the box than the late Che Guevara was. "He smoked any old brand," she said.

**---

Call to lift cigarette prices 25%

The Age
April 7, 1998
By DARREN GRAY

Health groups yesterday called for a minimum 25 per cent increase in tobacco taxes by 2000, to discourage today's teenagers from smoking.

A coalition of health groups, known as the Heart and Cancer Offensive Against Tobacco, demanded governments take action so that cigarettes cost at least 30 cents each by 2000, and packets cost at least $10.

A spokesman for the group, Dr Andrew Tonkin, said urgent action was needed to discourage children from smoking.

Dr Tonkin, also the National Heart Foundation's director of health, medical and scientific affairs, said the government received $64 million a year in taxes on cigarettes smoked by children.

The Heart and Cancer Offensive Against Tobacco yesterday demanded this money be spent on anti-smoking education campaigns.

The $64 million raised in taxes on the sale of tobacco to children is at least three times the amount spent on anti-smoking campaigns each year, the group said.

More than 70,000 Australian teenagers take up smoking annually. And according to Australian Bureau of Statistics figures, about 18,000 Australians die from smoking each year.

"We really believe this is a major problem; and really it's not going to go away - it's going to become worse," Dr Tonkin said.

"This is the single largest cause of preventable death in our society.

Twenty per cent of Australians die from smoking-related diseases. And that's preventable," he said.

The Heart and Cancer Offensive Against Tobacco's report, Tobacco Tax Solutions, May 1998 Budget, comes as evidence stacks up that many Australians are not getting the message about the dangers of smoking.

For example, the decline in the proportion of men smoking has flattened out after dropping sharply in the 1960s and 1980s.

And doctors are witnessing a relatively new lung cancer phenomenon. They are now treating women in their 30s and 40s who are dying from the disease.

Also, only four out of 10 smokers know the association between smoking and heart disease, Dr Tonkin said.

The Heart and Cancer Offensive Against Tobacco report estimated more than 102,000 children would not take up smoking, and an extra $1 billion would be generated in government revenue, if the report's recommendations were adopted.

The report also recognised that in real terms, cigarettes had become more affordable to many children.

"Ideally, cigarettes in Australia would be priced so that a single pack of 20 cigarettes cost more than the weekly allowance of the majority of Australian children," the report said.

"Cigarettes are affordable to children and we want to decrease affordability," Dr Tonkin said. He said there had been no increase in tax on tobacco since 1995.

He admitted the recommended tobacco excise increase was large, but said the forthcoming Budget was an opportunity for policy makers to protect children. "The vast majority of Australian adults support measures to try and control . . . smoking in children," he said.

**---

ECONOMY-ZIMBABWE: PRAYING FOR GOOD PRICES FOR THE ...

OTC (COMTEX Newswire)
Date: Mon, Apr 6, 1998

HARARE, (Apr. 3) IPS - The tobacco-selling season opened this week without a puff: prices for the leaf, which drives Zimbabwe's economic engine, were way below last year's partly because of decreased demand in the main export markets.

At the start of the selling season, March 31, the price was 20 percent lower than in 1997. Bid prices opened at around 180 U.S. cents a kg as against an opening price of 223 U.S. cents in the 1997 season (April to October).

Today's average price was 135 U.S. cents a kg compared to the 200-U.S. cent-average registered in the first week of last season. Market analysts say every factor points to a softening of prices.

"Prices are low due to a depressed world demand and an oversupply," said Pat Devenish, general manager, sales and service of the Tobacco Sales Floor Limited. "The fact that we started selling three weeks earlier than normal has also not helped the situation."

Devenish told IPS today that the situation was likely to remain the same until "after Easter when we should start seeing an improvement in the tobacco prices."

That there is a decline in world tobacco production should have been good news for Zimbabwean tobacco farmers, but demand for tobacco is 20 percent down in the United States, while orders in the Far East are being deferred, tobacco trade experts said.

These two regions are the main destinations for Zimbabwean tobacco. Devenish is, however, confident that the 210 million-kg crop will all be sold. Last season's average price was around 234 U.S. cents a kilogram, and some 196 million kg were sold.

"With time, we will have received more confirmed commitments from overseas buyers. Right now they are somewhat reluctant to commit themselves," said Devenish.

Tobacco trade analysts say this season's price might be five to 10 percent lower than last season's due to the collapse of currencies in the Far East and litigations against cigarette manufacturers in the United States.

Last June, U.S. tobacco companies reached a settlement of $368.5 billion to cover health-care costs for smoking-related illnesses in 25 annual installments. As a result of the payments, profits are down by 21 percent.

Any drop in earnings from the leaf would be bad news for Zimbabwe. Tobacco is the main foreign currency earner here, accounting for 30 percent of all earnings. Last season's exports brought in some $450 million.

This year, considerable reliance had been placed on significant tobacco receipts to bolster the ailing Zimbabwean currency.

The Zimbabwe dollar fell to an all time low on Nov. 14 last: from an exchange rate of 14 to the U.S. dollar it plunged to 25:1. A further depreciation was prevented by the Reserve Bank, which injected millions of

U.S. dollars into the banking system and introduced protective measures to stabilize the money market.

The fact that tobacco may not bolster the currency is "depressing,", says market analyst Charles Gurney. "One is reminded of the old adage of being kicked when one is down."

Said Devenish: "In Zimbabwean dollar terms we may make more, but I doubt if we will get more in U.S. dollars terms."

**---

Tobacco floors open on bearish note

OTC (COMTEX Newswire)
Date: Mon, Apr 6, 1998

Harare (Zimbabwe Standard, April 5, 1998) - The industrial index surged 4% upwards during the week under review, recording the highest movement on 31 March when it surged 506 points (6%) upwards, closing the day at 8 796.

This strong growth, in a day, was on the back of a $2 jump in the Delta share price and a strengthening in the prices of 18 other counters. Foreign buying into three blue chips, namely Delta, Zimsun and Meikles and three second tier stocks, Seedco, Zimpapers and CFI, spiked an upward movement in their share prices. Does this mean that foreign investors are now coming back to invest in the local equity market on a full-blown scale?

Not really, because economic fundamentals are still weak and although there has been some positive developments with regards to the land issue, it has yet to be fully resolved. Some investors could also be waiting for the release of funds to Zimbabwe from the IMF. The much awaited opening of the tobacco sales season started on a low key note this week, with prices significantly down on last year. Although the floors traditionally open with lower prices, this year's opening prices are too low. The weak prices have been attributed to lower international demand, especially from North American cigarette manufacturers who are under siege from law suites. The Asian economic crisis has also resulted in this decreased demand for tobacco.

Most of the tobacco merchants are said to be still in Brazil, where the tobacco season has not yet ended and as a result tobacco trading has not been as high as last year during the opening week. Some farmers are considering taking back their crop if the prices do not firm. However, it is too early to judge whether prices are going to be significantly different from last year given the El Nino weather phenomenon which has adversely affected the tobacco crop output of one of the world's biggest producers, Brazil. If tobacco prices remain as weak as they are, the country would receive lower forex earnings from tobacco sales. This would put pressure on the Zim dollar due to lower reserves. This week would be an opportune time to discuss one of the five key economic indicators, namely the foreign exchange rate. Zimbabwe's exchange rate system is neither fixed nor freely floating. It is managed by the Reserve Bank to a certain extent.

Whether a currency appreciates or depreciates depends on a number of factors. The Zim dollar, for example, has been relatively stable over the past month on the back of lower import demand and inflows of gold

revenues. What causes a nation's currency to appreciate? There are three main factors that result in an upward movement of the exchange rate. If a country experiences slower economic growth than its main trading partners, for example, the country's imports would be lower than its exports. This results in the appreciation of the currency, as demand for foreign currency would be lower. The second factor is the inflation rate differential. If the rate of inflation is lower than in its main trading partners, demand for the country's exports will be higher, resulting in an appreciation of the local currency. The third factor is real interest rate differentials among countries that allow the free movement of funds. If the real interest rate is higher in one country in comparison to most, and the opportunity cost of moving funds to the country with the higher rates is not too high, then there would be capital flight to the country where the returns are higher. The inflow of foreign currency would result in the appreciation of the local currency.

The third factor, however, is not applicable to Zimbabwe, because the country has foreign exchange restrictions, like most countries in Africa, and foreign investors are not allowed to invest in the local money market. If the above three factors move in the opposite direction, a depreciation of the currency would occur. Central banks, however, can intervene to prevent sharp fluctuations of their local currencies by buying or selling foreign currency in the market. If there were an excess supply in foreign currency which would result in the appreciation of the local currency, the central bank can go into the market and buy the excess forex if it wants to maintain a certain exchange rate level. When there is excess demand, the central bank would sell forex to close the demand supply gap and prevent or lessen the rate of depreciation of the local currency. This is where tobacco revenues come into the equation. The central bank uses some of the forex derived from trade to maintain the desired exchange rate. Tobacco is of vital importance to Zimbabwe's economy because it is the biggest forex earner for the country. The higher the export earnings of the country, the more it would have in foreign reserves.

Zimbabwe needs at least three months' supply of foreign reserves formaintaining a competitive foreign exchange rate. It is therefore not
surprising that most decision-makers in the country follow the tobacco season closely. Restrictive macroeconomic policies are another form of correctional currency measures for a country in a position like ours whose imports are higher than its exports. A tightening in both fiscal and monetary policies would reduce inflation and stimulate exports. This week, only one set of results was released. Zimpapers' results were satisfactory. Turnover was boosted by improved performance in the newspapers division and, the directory division, which had a turnaround from a loss-making position to a profit making one. The commercial printing division, however, did not do particularly well due to the under capitalisation of Natprint. The increases in tariff cover prices and advertising volumes, and greater use of colour in adverts translated into a 29% growth in turnover. Trading profits were up 26%, but margins declined to 17,3% from 17,6%.

Earnings were boosted by net interest received, which nearly doubled from $9,6m to $18,7m due to the delayed capex programme and improved working capital management. As a result, PBT was up 34% on the previous year. An effective tax rate of 42% reduced after tax profit growth to 30%. In order to increase efficiency, Zimpapers plans on improving its operations through the acquisition of pre-processing, printing, desktop publishing machinery and computers. The company has a capex budget of $200m which will be financed through internal resources, lease hire arrangements, borrowings, sale of some of the group's properties and possibly a rights issue. A depreciating Zim dollar could result in higher than forecast capex.

Given the high inflationary pressures in the economy, interest rates could increase further and this would reduce the group's earnings. Given the group's vital need to revamp its operations through improved technology and the need to borrow to partly finance this capex programme, Zimpapers' profit growth will be significantly reduced by higher interest payments. However, in the longer term the group will benefit from improved technology through enhanced efficiency.

**---

Zimbabwean Tobacco Farmers Protest Low Prices

OTC (COMTEX Newswire)
Date: Tue, Apr 7, 1998

HARARE (April 7) XINHUA - Zimbabwe's small-scale farmers who produce the bulk of Burley tobacco Monday refused to sell their crop to protest low prices at the Burley Marketing Floor, The Herald daily reported Tuesday.

This is the first time in the history of the Burley Marketing Floor that small-scale growers, previously passively accepting whatever price was offered, have cancelled a sale.

Prices were as low as 67 U.S. Cents a kilogram as agaisnt last season's average price of 1.6 Dollars a kilo, which left the farmers, the bulk of them communal, with no option but to cancel their sales.

Flue-cured tobacco growers, who this season produced 220 million kg, have also been hit by a wave of low prices, and this has resulted in some farmers withholding deliveries in anticipation of improved prices within the next few weeks. Enditem

**---

Tobacco: Farmers disappointed crop isn't sold

Lancaster (PA) Intelligencer Journal
Tuesday, April 7, 1998
By Daina Savage Intelligencer Journal Staff

County tobacco farmers, disappointed in a lackluster marketing season, are wondering what to do this spring.

About half of their crop of cigarette tobacco remains unsold, hanging in barns or stacked in bales after tobacco buyers seemed disinterested in purchasing the crop this season.

"We will eventually get buyers," said tobacco farmer Jane Balmer. "I don't know why they got so upset at Pennsylvania."

Like other farmers, Balmer continues to hope that buyers will come around in the next few weeks and purchase the rest of the crop.

Meanwhile, tobacco sits and sweats.

"This was a very tough winter," said Balmer. "It's been wet all winter so a lot of farmers stripped their crop a little wetter than normal, and because it's been so warm, the bales will be heating."

She advised tobacco farmers to check on their bales, unstacking them or even cutting them open to allow the heat to escape.

Many tobacco farmers still don't understand how it's come to this _ waiting to sell their harvested crop when it's time to plant a new crop.

Still, they overwhelmingly agreed that they don't want to resort to price supports to stabilize their market.

More than 400 farmers cast their ballots two weeks ago, 25 percent more than the last time a referendum was held on a tobacco quota in 1995.

"There was a lot more interest this time," said Kathryn Baxter, county executive director of the Farm Service Agency.

Only 18 county farmers voted to have quotas for the cigarette tobacco and only 14 farmers voted for quotas for the cigar tobacco.

In Maryland, which is also a non-quota state, the results were similar.

"I can assure you, farmers here overwhelmingly rejected them," said Jim Voss, Maryland state ex ecutive director of the Farm Service Agency.

Voss said prices in Maryland were also down, though not as sharply as in Pennsylvania.

"It's a perplexing time for tobacco marketing," Voss said.

Balmer agrees, which is why she's been meeting with local farmers.

And she has taken it upon herself to convince buyers from the nation's largest tobacco companies to travel to Lancaster and talk to the farmers.

"Our biggest problem is we don't know what they want. We don't know what to plant this year," she said.

But, so far, she hasn't had much luck.

"If they're trying to make the farmers sweat it out, they've done it," said tobacco buyer Dennis Hess.

Hess said he's had more calls in the past few days than he has had in weeks. These farmers are asking him to process their tobacco rather than allow it to run the risk of degrading in their barns all summer.

"It's because of the way things are going in Maryland," Hess said, reporting that only a few local farmers were able to market their crop at Maryland auctions, which close this week.

"Once Maryland is done, that's the last place tobacco is sold on the market," he said.

"What now? That's a good question," he said.

**--

Cigar fad may drag down anti-cancer efforts, advocates fume

San Antonio Business Journal
April 6, 1998
John F. Waldron

The sights and smells of The Humidor, a San Antonio store specializing in tobacco products, creates an image of cigar smoking that is both alluring and attractive.

Wooden cases containing high-dollar cigars line the walls and magazines bearing photos of popular movie stars wafting their favorite stogies fill racks at the door. The scent of rich tobacco is everywhere as a man in a business suit searches the aisles for his particular brand.

According to Ralph Rumbo, owner of the five Humidor locations in the Alamo City, cigar smokers who frequent his stores are mostly middle class professionals who enjoy smoking two to three cigars a week.

"This is not an addiction that they cannot break," he says. "I think they are very well educated about the health risks associated with cigars and view it as a hobby, not a habit." A similar threat

Health activists who follow the growing popularity of cigar smoking disagree with Rumbo, maintaining that many new smokers are unaware of the dangers associated with cigars. They charge that the industry has masked the risks of cigar smoking with a false sense of security.

Nika Jacobs, communications director at the San Antonio office of the American Cancer Society, says cigar smoking has the potential of being more dangerous than cigarette smoking.

"Cigar smoking can lead to cancer of the voice box, mouth, esophagus and lungs," she says. "In addition, concentrations of tar and nicotine are much higher in cigars than cigarettes."

Interest groups like the Cancer Society point out that in a time when lawsuits and legislation are hitting the cigarette industry hard, cigars enjoy a great deal of freedom. Food and Drug Administration rulings forbidding the sale of tobacco to teenagers do not cover cigars.

Although they are the fastest growing segment of the tobacco industry, cigars are not required to carry the federal health warnings mandated for cigarettes.

Rebecca Gray, assistant regional director for the American Lung Association in San Antonio, adds the sophistication that cigar smoking currently holds in the United States tends to overshadow many of the risks associated with cigars.

"They contain the same cancer causing agents that are found in cigarettes," she says. "With the resurging popularity, we need to inform the public of the possible hazards."

Patricia Hohertz, a tobacco prevention and control program specialist with the Texas Department of Health, says manufacturers are pushing their products as a "trendy pastime" to consumers who may or may not understand the health risks behind cigars.

"We are trying to help people understand that there is no such thing as a safe smoke," she adds.

Hohertz says many cigar smokers point to older smokers as proof that their usage will not effect their health.

"They were the lucky ones," she explains. "The fact remains that whether you chew on it, inhale it or don't inhale it, you are exposing yourself to carcinogens." Fewer smokes

Industry representatives say that research into the risks associated with cigar smoking fails to take into account that the majority of cigars smokers do not smoke enough to make their exposure chronic.

Bill Fader, executive director of Retail Tobacco Dealers of America, says the impact cigars could have on an individual's health centers around the amount of cigars a person smokes.

"If someone smokes 18 cigars a day, I think there are going to be some problems," he maintains. "But the average cigar smoker purchases only one to three cigars a week, which makes a big difference."

Fader says the industry does not target young people for cigar sales and refutes claims that manufacturers are trying to appeal to teenage smokers.

"Kids do not smoke cigars and as far as I know they have never smoked cigars," he contends. "There is no Joe Camel in cigar commercials.

Advertising is placed in upscale magazines for mature readers."

Norman Sharp, president of Cigar Association of America, says the industry markets its products to mature adults who are capable of making informed decisions.

"While young adults in their 20s are trying cigars, the heaviest concentration of smokers are between 40 and 65 years of age," he adds.

Sharp asserts that one of the problems with studies being conducted on the effects of cigar smoking lies in the lack of uniformity in testing procedures.

"Cigarettes are a predictable product and there is an accepted test available for that industry," he says. "But with cigars, there is so much diversity that a uniform test does not exist to adequately research the effects of different brands."

The small size of the cigar industry, according to Sharp, does not merit the negative press generated by national health organizations.

"Cigar smoking today is not even half of what it was in 1973 when 11.2 billion cigars were sold," he explains. "After four successive years of sales increases, only 5.2 billion were sold in 1997." Mixed reviews

As the debate over the long term effects of cigar smoking continues, a recent study released by the American Heart Association (AHA) offers both good and bad news for both sides of the issue.

The study, which was conducted at the Kaiser Permanente Medical Care Program in Oakland Calif., monitored the death rates of 225 men, ages 30-89, who smoked only cigars.

Dr. Carlos Iribarren, an epidemiologist who co-authored the study, says the participants smoked habitually (two cigars each day for 10 years) and were twice as likely to die of all forms of cancer and certain circulatory conditions.

The study goes on to state that cigar smoking alone, unlike cigarette smoking, does not seem to increase the risk of dying from coronary heart disease.

Iribarren reinforces that the study dealt almost entirely with habitual smokers, adding that further research needs to be conducted on the relationship between casual and chronic cigar use.

"While we are aware that cigars contain an enormous amount of nicotine, there should be additional studies before we can draw a line between casual and habitual cigar smoking," Iribarren says.

Bill Finck, president of the Finck Cigar Co., says the risk factors behind cigar smoking have changed with the habits of smokers.

"Years ago we estimated that the average cigar smoker purchased five cigars a day for his personal use," he says. "The new smokers today are smoking as few as three premium cigars a month."

Finck, whose company has been manufacturing cigars in San Antonio for 105 years, reiterates that the majority of cigar smokers are not addicted.

"Smoking cigars will not make you healthier," he says. "But in moderation, I don't think they are going to cause a great deal of harm either."

John F. Waldron is a San Antonio-based free-lance writer.

**--

Sara Lee Corporation Announces Plans to Sell Tobacco Operations

PR (PR Newswire)
Date: Tue, Apr 7, 1998

CHICAGO, April 7 /PRNewswire/ -- Sara Lee Corporation (NYSE: SLE) today announced plans to sell its international cut tobacco business, Douwe Egberts Van Nelle Tobacco (DEVN Tobacco), to Imperial Tobacco Group PLC, a major tobacco company based in the United Kingdom. Total cash consideration will be $1.080 billion (NLG 2.250 billion), including an upfront cash payment of approximately $370 million and contingent annual payments which have a net present value of approximately $710 million.

The transaction includes all brands, operations and related assets of DEVN Tobacco, except for the small United States business, which will discontinue its operations no later than July 1, 1998. Net sales (after duty) for DEVN Tobacco in fiscal 1997 were approximately $300 million. Results have been included in Sara Lee's Coffee and Grocery line of business, managed by the company's Sara Lee/DE group based in Utrecht, the Netherlands.

"Sara Lee Corporation is committed to enhancing shareholder value by focusing on operating segments with the potential for long term growth and high returns. Tobacco is not a core business for our company," said C. Steven McMillan, president and chief operating officer. "This divestiture is consistent with our strategy announced last September to refocus the company's asset base to better support our long-term plans for sales and earnings growth."

Frank Meysman, executive vice president of Sara Lee Corporation and chairman of the board of management of Sara Lee/DE, added: "Although our tobacco business has always been very successful, we do not anticipatesignificant growth in our major markets for this product within the Sara Lee/DE organization. We believe that integration with Imperial Tobacco, which is a leading tobacco company, will offer the best opportunities for our employees and the tobacco brands. At the same time, the sale of our tobacco operations will allow Sara Lee/DE to increase its focus on the core brands and categories within Coffee and Grocery, and Household and Body Care, devoting more resources to new activities with higher growth potential."

DEVN Tobacco is an international manufacturer, marketer and distributor of branded cut tobacco with approximately 870 employees. Key brands include Drum, Van Nelle, Brandaris, Winner and Amphora. The head office is located in Rotterdam, while products are manufactured in Joure, the Netherlands, and Ireland. Packing facilities are located in Drachten and Meppel, the Netherlands, and the company has sales offices in Germany, Belgium and North America. DEVN Tobacco products are currently exported to about 100 countries.

Imperial Tobacco Group is a major tobacco company, based in the United Kingdom, with annual sales (after duty) of 834 million pounds sterling (U.S. $1.376 billion) and operating income of 391 million pounds sterling (U.S. $645 million) in fiscal year 1997. The company has 3,300 employees worldwide. The company manufactures, markets and distributes cigarettes, cigars, fine-cut tobacco, pipe tobacco, snuff tobacco and cigarette papers. Imperial's main market is the United Kingdom, and it has a growing presence in other western European markets, such as France, the Netherlands, Spain and Belgium. Major brands include Embassy, Regal, Lambert & Butler, Superkings and JPS (cigarettes); Classic, Castella, Panama and Cadena (cigars); Golden Virginia (fine-cut tobacco); Gold Block and St. Bruno (pipe tobacco); and Rizla (cigarette papers).

Consultations began today with trade unions and relevant works councils. After the deal closes, non-U.S. DEVN Tobacco employees will remainemployees of their respective operating companies as ownership is passed to
Imperial Tobacco.

Sara Lee Corporation is a global consumer packaged goods company with approximately $20 billion in annual revenues. Its leading brands include Sara Lee, Douwe Egberts, Hillshire Farm, Hanes, Coach and Playtex.

CONTACT: Theresa Herlevsen, 312-558-8489, or Jeffrey Smith, 312-558-8727, Media, or S. Leigh Ferst, 312-558-8464, Analysts, all of the Sara Lee Corporation/

**---

Imperial <IMT.L> to buy Douwe tobacco business

RTf (Reuters Financial Report)
Date: Tue, Apr 7, 1998

LONDON, April 7 (Reuters) - Britain's Imperial Tobacco Plc said on Tuesday that it plans to buy the Douwe Egberts Van Nelle (DEVN) tobacco business from Sara Lee Corp <SLE.N> for 652 million pounds ($1.1 billion).

It said that the purchase of DEVN, which makes handrolling brands such as Drum, Van Nelle, Bandaris and Winner, would enhance earnings immediately.

Imperial, which produces British market leader Golden Virginia, said that the acquisition would significantly increase its presence in continental Europe.

"The acquisition of DEVN represents a major step in our strategy to become a truly integrated international tobacco business," said chief executive Gareth Davis.

He said that the company was confident the purchase would further enhance shareholder value.

It plans to fund the purchase from cash resources and bank facilities and expects completion of the deal in July 1998.

Under the terms of the deal, Imperial will not be buying DEVN's U.S. business, which accounts for less than three percent of DEVN's sales.

DEVN had a turnover, net of duty, if 177 million pounds in the year to June 28, 1997 and an operating profit before exceptional charges of 65 million.

($ = 0.600 British Pounds)

**--

Imperial Tobacco -2: Deal Part Of European Strategy>U.

DJ (Dow Jones)
Date: Tue, Apr 7, 1998

LONDON (Dow Jones)--As part of its strategy to extend its presence in European markets, Imperial Tobacco Group PLC (U.IMT) said Tuesday that it will buy the Douwe Egberts Van Nelle (DEVN) tobacco business from Sara Lee Corp. (SLE) of the U.S. for GBP652 million in cash.

Imperial said it will retain all DEVN employees, but won't be buying the U.S. business of the company, which represents less than 3% of DEVN's sales.

Imperial also added it expects the deal to enhance earnings per share 'immediately', although goodwill arising 'will be written off to reserves.'

DEVN is one of the oldest businesses in the tobacco industry and is the global leader in branded handrolling tobacco, Imperial said. Handrolling tobacco, including brands such as Drum, Van Nelle, Brandaris and Winner, accounts for 90% of sales, with the remaining 10% coming from pipe tobacco.

The Netherlands is the largest handrolling tobacco market in the world and DEVN has a 60% market share. Other major markets are Germany, France and Australia.

Imperial believes the combination of DEVN's business with its own will 'create the world's largest handrolling tobacco manufacturer and one of the world's largest pipe tobacco businesses.'

For the year ended June 28, DEVN reported an operating profit of GBP65 million on sales of GBP177 million. Imperial said the results for the six months ended Dec. 27 'indicate' sales of GBP89 million compared with GBP86 million a year earlier and operating profit of GBP32 million.

'The purchase of DEVN will significantly increase Imperial Tobacco's continental European presence,' said Chief Executive Gareth Davis, who added the deal should boost European profits by around 10% to 30% of the group total.

Sara Lee confirmed in a separate press release Tuesday that it plans to sell Douwe Egberts Van Nelle Tobacco to Imperial Tobacco for $1.08 billion.

The sale includes an upfront cash payment of about $370 million and contingent annual payments which have a net present value of about $710 million.

Sara Lee plans to discontinue its U.S. tobacco operations no later than July 1.

Douwe Egberts, which employs about 870 workers, had 1997 net sales about $300 million.

Sara Lee is a food and consumer products company.

**---

Sara Lee <SLE.N> says exiting tobacco business

RTf (Reuters Financial Report)
Date: Tue, Apr 7, 1998

CHICAGO, April 7 (Reuters) - Sara Lee Corp said on Tuesday that tobacco was no longer a core business, and disclosed plans to sell its international cut tobacco unit and exit the sector.

The consumer goods giant struck a deal valued at about $1.1 billion to sell Douwe Egberts Van Nelle Tobacco to the U.K.'s Imperial Tobacco Group Plc <IMT.L>.

Sara Lee said in a news release Douwe Egberts' small U.S. tobacco operations were not part of the deal, but it plans to shut them down no later than July 1. The domestic operations account for less than three percent of Douwe Egberts' sales.

"Tobacco is not a core business for our company," Sara Lee president and chief operating officer C. Steven McMillan said. "This divestiture is consistent with our strategy ... to refocus the company's asset base to better support our long-term plans for sales and earnings growth."

"We do not anticipate significant growth in our major markets for this product" within the company, said Frank Meysman, chairman of the company's Netherlands-based Sara Lee/DE operating group, which has managed the tobacco operations.

Net sales for Douwe Egbert brands, which include Drum, Van Nelle, Brandaris and Winner, totaled $300 million in 1997, Sara Lee said. The results were included with those of its coffee and grocery division. "The sale of our tobacco operations will allow Sara Lee/DE to increase its focus on the core brands and catagories within coffee and grocery, and household and body care, devoting more time to new activities with more growth potential," Meysman said.

Proceeds from the sale include a $370 million upfront cash payment, and contingent annual net payments with a net present value of about $710 million, Sara Lee said. Sara Lee said negotiations have begun with relevant labor unions regarding the effect of the move on employees.

It said non-U.S. workers would retain their jobs under Imperial's management. The company did not say what effect the shut down of U.S. operations would have on its domestic workforce.

Company officials could not be reached for further details. The unit, which employs about 870 people, is headquartered in Rotterdam and has manufacturing facilities in the Netherlands and Ireland, packing facilities in the Netherlands and sales offices in Germany, Belgium and North America.

**---

FOCUS-Imperial <IMT.L> rolls-up Douwe tobacco deal

RTf (Reuters Financial Report)
Date: Tue, Apr 7, 1998
(writes through, adds interview, share price)
By Andrew Young

LONDON, April 7 (Reuters) - Imperial Tobacco Group Plc, the British cigarette maker, rolled up a deal with Sara Lee Corp <SLE.N> on Tuesday to buy the U.S. firm's Dutch-based handrolling tobacco company for 652 million pounds ($1.1 billion).

The purchase of Douwe Egberts Van Nelle (DEVN) tobacco business gives Imperial about 32 percent of the world market in branded handrolling tobacco and helps fulfil its aspiration of becoming an integrated, international tobacco company.

"This will make us the world's leading manufacturer and marketer of roll-your own products," chief executive Gareth Davis told Reuters. DEVN has about a 27 percent share of the market, while Imperial has about five percent with its Golden Virginia brand.

The stock market welcomed the deal, sparking Imperial shares 22 pence, or five percent, higher to 450-3/4 pence in the European morning.

One of the major attractions of the deal for Imperial was the brand equity that the purchase delivers as DEVN makes handrolling brands such as Drum, Van Nelle, Brandaris and Winner.

DEVN, with origins dating back to 1753, also manufactures pipe tobacco with its main brand Amphora.

"We are very much wedded to the mission of being an integrated and international tobacco firm," said Davis, who noted that the purchase increases Imperial's profit from international operations to over 30 percent from 20 percent.

For its part, Sara Lee said in a statement that tobacco was not a core business for it, and the sale would allow Sara Lee/Douwe Egberts to focus on its coffee and grocery and household products.

Imperial and DEVN would have had combined handrolling tobacco sales of over 19,0000 tonnes and pipe tobacco sales of almost 1,000 tonnes in 1997.

Davis sees "significant" opportunities for cost savings from the deal, but would not be drawn on whether the purchase would lead to job cuts.

"The combination of the businesses gives enormous opportunities for economies and synergies, particularly on the sales side where Douwe Egberts have some very large direct sales forces," said Davis.

He added that he saw lots of synergy and economies coming through in areas like purchasing of materials, administration and distribution.

Imperial is paying for the business from cash resources and bank facilities and expects the purchase to enhance earnings immediately.

Imperial does not rule out any further acquisitions in its drive towards a more international tobacco company, but does not expect anything big purchases for some time.

"We can't discount further acquisitions but obviously this is a fair one to digest," said Davis.

($ = 0.600 British Pounds)

**--

Britain-Tobacco Acquisition

APf (AP Financial)
Date: Tue, Apr 7, 1998

LONDON (AP) -- Imperial Tobacco Group PLC said Tuesday it plans to buy the Dutch tobacco company Douwe Egberts Van Nelle from Sara Lee Corp. for about $1.1 billion.

Imperial Tobacco said the deal will make it the world's largest seller of hand-rolled tobacco, while contributing to its strategy of building a stronger business in continental Europe.

Douwe Egberts Van Nelle, known as DEVN, has origins dating to 1753 and is a top international distributor of hand-rolled and pipe tobaccos, including the brand names Drum, Van Nelle and Amphora.

The deal with Chicago-based Sara Lee requires approval of the Imperial Tobacco shareholders. Imperial Tobacco, based in Bristol, England, said it hopes to close the acquisition by July and predicted the deal will immediately start improving profits.

DEVN had revenues of 610 million Dutch guilders ($295 million) in its last fiscal year, and operating profits of 223 million Dutch guilders ($108 million) when one-time accounting items are disregarded.

Imperial Tobacco said it will retain all 870 DEVN employees, most of them based in the Netherlands, where the company has a big factory in Joure and smaller ones in Drachten and Meppel. DEVN also has a plant in Mullingar, Ireland.

Imperial Tobacco said it was not acquiring the U.S. operations of DEVN, which account for less than 3 percent of sales.

**--

General Cigar Holdings Reports First Quarter Net Income Up 80% on Sales Increase of 36%

PR (PR Newswire)
Date: Mon, Apr 6, 1998

NEW YORK, April 6 /PRNewswire/ -- General Cigar Holdings, Inc. (NYSE: MPP) today reported first quarter net income of $7,687,000 or $0.27 a diluted share on sales of $67,737,000 compared to net income of $4,277,000 or $0.15 a diluted share on sales of $49,798,000 in the 1997 first quarter. Basic earnings per share rose to $0.28 from $0.16.

Edgar M. Cullman, Jr., CEO, stated that "Our business continues to be strong and, with our increased production, we will continue to focus on regaining market share while the industry is experiencing a shakeout of second and third tier products."

Mr. Cullman also announced that the Company will open its second Club Macanudo in Chicago this month. He said, "We are very excited about being in the 'Windy City' with a very special and appealing cigar bar."

General Cigar Holdings, which traces its roots to 1906, is a leading manufacturer and marketer of premium cigar brands including Macanudo, Partagas, Punch (MPP) and Hoyo de Monterrey, as well as mass market cigars including Garcia y Vega, White Owl and Tiparillo. In addition to being a major grower of high-quality Connecticut shade wrapper tobacco, General Cigar operates the Club Macanudo cigar bars in New York City and Chicago.

FORWARD LOOKING STATEMENTS: Certain matters discussed within this press release may constitute forward-looking statements within the meaning of the federal securities laws. Such statements include, without limitations, the Company's beliefs about trends in the cigar industry and its views about the long-term future of the industry and the Company. The following factors, among others, could cause the Company's financial performance to differ materially from that expressed in such statements (i) changes in consumer preferences resulting in a decline in the demand for and consumption of cigars; (ii) an inability on the part of the Company to increase production of cigars, particularly premium cigars, to meet demand as a result of, among other things, a shortage of raw materials, trained labor or production capacity, (iii) an increase in the price of raw materials, (iv) additional governmental regulation of tobacco or further tobacco litigation, (v) enactment of new or significant increases in existing excise taxes or (vi) political and/or economic instability in foreign countries where the Company has operations. The Company refers you to the documents the Company files from time to time with the Securities and Exchange Commission.

CONTACT: Jay M. Green of General Cigar Holdings, 212-448-3808/

**---

SJI Group Appoints Former Swedish Match Sales Executive to Serve as Senior V.P. of its SJI Wholesale Subsidiary

BW (Business Wire)
Date: Mon, Apr 6, 1998
Business Editors

KNOXVILLE, Tenn.--(BUSINESS WIRE)--April 6, 1998--

Gary Wiegand to Spearhead Company's New Marketing Initiatives, Including its Innovative Modular Walk-In Humidor Program

SJI Group, Inc. (OTC Bulletin Board: SJIG), one of the country's leading distributors of premium cigars, today announced that Gary J. Wiegand, formerly Senior Director of Field Sales for Stockholm, Sweden-based Swedish Match, AB, has joined the Company's wholly-owned subsidiary, SJI Wholesale Inc., in the role of Senior Vice President. In his new capacity, he will be responsible for organizing the Company's sales and merchandising efforts in support of its various new marketing initiatives, including its recently introduced Modular Walk-In Humidor program.

Mr. Wiegand arrives at SJI Wholesale after 13 years with Swedish Match, where he oversaw a U.S. sales force of 230 sales personnel, producingdivisional sales in excess of $200 million annually. Mr. Wiegand and his
sales staff were responsible for the sale of a wide range of tobacco products and disposable lighters to wholesalers and retailers in the United States, including chain food and drug stores, smoke shops and liquor stores. Swedish Match, AB is a global company with worldwide annual revenues exceeding $1 billion. The company manufactures a broad assortment of tobacco, matches and lighters sold in over 140 countries worldwide, and is considered to be one of the largest manufacturers of cigars in the world.

"Gary's impressive background and strong reputation in the tobacco and retail industries is expected to help us significantly increase our customer base," commented J.D. Jenkins, Chairman and CEO of SJI Group. "His initial focus will be on rapidly building an installed base of our innovative Modular Walk-In Humidors in discount tobacco outlets and liquor stores. Our overall goal is to quickly penetrate and develop a dominant market share within those segments of the retail industry which, prior to the introduction of our Modular Walk-In Humidors, faced significant barriers to entering the premium cigar business."

"Joining SJI Group at this point in the Company's growth and development represents a perfect opportunity for me," said Mr. Wiegand. "SJI is the only company in the industry to offer a modular walk-in humidor. In my opinion, this program, coupled other marketing innovations being planned, offers the potential for explosive growth. As such, I also look forward to being at the forefront of an effort that will add a whole new dimension to many retailers' businesses, thereby creating a whole new class of merchants for premium cigars and accessories."

SJI Group recently announced that it began the formal roll-out of its Modular Walk-in Humidor program. This innovative marketing program features the placement of modular, 8 foot by 11 foot, free-standing, walk-in humidors in a wide variety of retail locations, including warehouse club stores such as Sam's Club, discount tobacco outlets and liquor stores. The walk-in humidors provide retailers with an unprecedented opportunity to enter the premium cigar business in just one day, without any capital outlay for the humidor, with the required purchase of inventory from SJI.

Made of light weight panels with interior lighting, adjustable shelves and self regulating humidification equipment, Modular Walk-in Humidors can be set up in approximately four hours with only one tool, which SJI provides. The exterior of the units contain programmable electronic message signs (programmable by SJI from its offices) and interchangeable graphic panels designed to feature advertising from manufacturers. In addition, on either side of the commercial glass door, there is space for an optional pipe tobacco bar and magazine racks to further increase the retail offerings.

SJI Group, Inc., with projected 1998 annualized sales of about $20 million, is a sales and marketing organization that specializes in the distribution of premium cigars. Through its wholly owned subsidiary, SJI Wholesale, the Company markets premium cigars and a wide variety of accessories to over 5,091 retailers and wholesalers nationwide, offering over 185 cigar brands representing over 1,625 different cigars. SJI represents over 31 manufacturers, including the major manufacturers General Cigar (Macanudo/Partagas), Swisher International Premium Division and Consolidated Cigars. SJI also markets proprietary brands such as Edgar and Hecho-a-Mano, Rey de Reyes, Cubano-A-Mano, Don Escobar, Julio Helena, La O-Paree, and Red Head. In addition, SJI has the exclusive marketing rights to a group of highly rated and advertised brands, including Camorra, Moran, Clipper, Pirata, Romana, RG Santiago and Kennedy.

The Company also offers computer and Internet services, Web site development and Web site hosting, including its own commercial Web site (http://www.sjitobacco.com), from which it markets premium cigars and accessories direct to consumers. Through a subsidiary, the Company is also engaged in the development of personal credit card reader technology that transmits credit card data safely and securely.

-0-

Statements about the Company's future expectations, including future revenues and earnings, and all other statements in the press release other than historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created thereby. Since these statements involve risks and uncertainties and are subject to change at any time, the Company's actual results could differ materially from expected results.

CONTACT: B. Alan Associates, Inc.
Barry A. Rothman, 561/483-7743
or
SJI, Group, Inc.
J.D. Jenkins, 423/584-3398

**---

Coudert Brothers Expands Into Central Asia

PR (PR Newswire)
Date: Mon, Apr 6, 1998

NEW YORK, April 6 /PRNewswire/ -- The international law firm of Coudert Brothers today announced the opening of its new office in Almaty, Kazakhstan, the firm's first office in Central Asia. The opening of the office follows Coudert's recent addition of five senior lawyers who joined the firm from Pepper, Hamilton & Scheetz. Coudert's new office in Almaty will bring the number of firm offices around the world to 23.

"One of the primary strengths which Coudert Brothers brings to all projects is the unique combination of regional expertise and presence supported by the resources of a global law firm," said Anthony Williams, Chairman of Coudert Brothers' Executive Committee. "As a result of our new office in Almaty, we can now bring this combination of skills to companies active in Central Asia."

The five lawyers who recently joined Coudert -- Edward H. Lieberman, Larisa A. Afanasyeva, Sally J. March, Jeffery C. Hayes and Jonathan D. Cahn -- specialize in foreign investment transactions in Russia and the former Soviet Union. They have taken up residence in a number of Coudert offices around the world: Mr. Lieberman in Washington, D.C., Mr. Hayes in New York, Ms. March in London, Ms. Afanasyeva in Washington, D.C., and Mr. Cahn in Almaty. In addition to Mr. Cahn, Rebecca Matthias, an associate in Coudert's London office, has moved to Kazakhstan to help staff Coudert's new office there. The Almaty office will be staffed initially by seven attorneys.

<EXCERPT>

Coudert Brothers has gained one of the leading practices in Kazakhstan. The group of new Coudert lawyers comprises some of the first foreign lawyers to open an office in Almaty, and one of the office's first projects was advising the Government of Kazakhstan on legal reform under a World Bank contract. The group has also represented the Government in three major oil privatizations and served as special advisor in the first privatization in Kazakhstan, the tobacco monopoly. More recently, the group has been advising a number of major companies regarding investment opportunities in Central Asia, particularly in the natural resources sector.

<END EXCERPT>

The acquisition also represents the consolidation of two of the most experienced legal teams in the CIS. Coudert Brothers has had an office in Moscow longer than any other Western law firm, having opened there in February, 1988. Also in 1988, Mr. Lieberman and Ms. March founded the Soviet and East European practice of Cole, Corette & Abrutyn and opened an office in Moscow shortly after Coudert. Additionally, Ms. Afanasyeva, who is the first Russian lawyer to be admitted to practice in the U.S., has been advising foreign investors in Russia since 1987 and has also advised several major Russian companies.

Richard Dean, the head of Coudert's practice in Russia and the CIS, endorsed Coudert's new initiative: "We are enthusiastic about the prospects of this acquisition. Our new office in Almaty is of great strategic value to us, not only in terms of our work in Russia and the CIS, but also with respect to our work throughout Central Asia. These outstanding, experienced lawyers will add depth to Coudert's existing practice in Russia and the CIS."

In addition to their experience in Kazakhstan, the new group brings to Coudert Brothers a diverse commercial practice advising foreign and Russian clients in the areas of oil and gas, mergers and acquisitions, capital markets, project and trade finance, dispute resolution and real estate. The partners' oil and gas expertise and existing client base in this area will further strengthen Coudert's position as one of the leading energy firms in the former Soviet Union. Likewise, the addition of Ms. March to Coudert's London office further underscores the firm's commitment to being a leader in corporate and project finance transactions involving the CIS, as London is emerging as the center of finance for this region.

Speaking on behalf of the new lawyers, Sally March commented on the move to Coudert: "In view of the increasing sophistication of the CIS legal market, we felt that we needed to be part of an international firm with strong project and corporate finance capabilities in London and New York. In addition, Coudert's strength in the energy sector in Russia will be a tremendous asset in expanding our Central Asian practice."

Today's announcement is the latest in a series of expansions by Coudert Brothers, which last year opened an office in Montreal and opened an office in St. Petersburg, Russia in 1996.

Founded in 1853 and headquartered in New York City, Coudert Brothers is a single, integrated global law firm with offices in 15 countries. It employs over 410 lawyers worldwide, in six U.S. and seventeen overseas offices, and provides legal support for investment, finance, compliance and dispute resolution to its global clients.

In addition to its new office in Almaty, Coudert Brothers has offices in New York, Washington, D.C., Moscow, St. Petersburg, London, Paris, Brussels, Hong Kong, Singapore, San Francisco, Beijing, Sydney, Los Angeles, San Jose, Tokyo, Bangkok, Jakarta, Ho Chi Minh City, Hanoi, Berlin, Denver and Montreal, as well as formal affiliations with local law firms in Mexico City and Budapest.

CONTACT: Richard Dean, 202-736-1801, or Sally March, 44-171-248-3000, both of Coudert Brothers; or Chris Tofalli or Tariq Jawad of Broadgate Consultants, 212-232-2222/

**---

FOCUS-Tabacalera soars, split lures small investor

RTw (Reuters World Report)
Date: Tue, Apr 7, 1998
By Simon Gardner

MADRID, April 7 (Reuters) - Shares in Spain's tobacco giant Tabacalera continued to soar on Tuesday as small investors flooded to the market, lured by a more accessible stock price following a five-for-one split, dealers said.

By 1030 GMT on Tuesday, shares were trading 5.68 percent higher at 4,090 pesetas ($26.21), fast outpacing the flat broader market and bringing the stock's climb so far this year to around 75 percent.

Investors welcomed the stock split on Monday, which converted Tabacalera's share price from around 19,000 pesetas to below 4,000 pesetas. Aggressive buying drove the price 5.94 percent higher by the close.

But investor euphoria over Tabacalera has left analysts and dealers alike puzzled over what they see as unjustified gains in the run-up to the state's sale of its remaining 52 percent stake in the company.

"We're seeing psychological buying. The minority investors have jumped on what they see as a more reasonable price for the stock," said one dealer at a Spanish bank in Madrid.

Dealers said the buying spree was not supported by an change in the company's fundamentals.

"These gains are unjustifiable, and (Tabacalera) is looking increasingly expensive, but the small fish will keep up the buying and it will consequently keep gaining spectacularly," said one trader.

Analysts said strong investor interest in Tabacalera, Spain's biggest cigarette producer and the world's No. 1 cigar maker, all but guaranteed the success of the company's final privatisation.

"The market will gobble up the Tabacalera supply, especially against a background of strong performances in other blue chips and gains that show no sign of slowing down," said one analyst at a Spanish Bank in Madrid.

And a flood of around $11 billion in new shares to the market from rights issues and privatisations in other sectors of the Spanish economy is not expected to hurt Tabacalera's prospects, dealers said.

"There's a huge amount of paper coming to market, but we knew it would be coming and it has been discounted to a certain extent," one trader said.

The Tabacalera sale, which will offer 68.86 million shares to minority and institutional investors, with a further 17.53 million shares destined for foreign investors, is expected to swell state coffers by around 380 billion pesetas.

State holding company SEPPa has said the offer could be extended by a further 8.76 million shares through a green shoe option.

The public offer period is due to run from April 21-24, while the final sale price is due to be set on April 27.

Underwriters for the Tabacalera offering said on Tuesday they had signed the official guarantee for the sale. The prospectus for the offer is due to be published on Wednesday.

Earlier this month, Taacalera reported its 1997 net profits rose 47.9 percent to 17.34 billion pesetas compared to 11.72 billion pesetas the previous year. ($ - 156 Spanish Pesetas)

**--

Share split boosts Spain's Tabacalera (TAB.MC)

RTw (Reuters World Report)
Date: Mon, Apr 6, 1998
(adds chairman quotes, updates with closing prices)

MADRID, APRIL 6 (Reuters) - Investors on Monday welcomed a five-for-one stock split in Spain's Tabacalera (TAB.MC), due to be privatised this month, by pushing the tobacco giant's shares up nearly six percent, puzzling some analysts.

Tabacalera shares closed 5.83 percent higher at 3,900 pesetas, sharply outpacing the broader leading shares Ibex-35 index which ended 2.29 percent firmer at a fresh all-time closing high of 10,814.1

But dealers said the share split in itself was no fundamental reason for the gains and was more a psychological support.

"The only thing that the split does is add liquidity to Tabacalera shares, but it doesn't justify such a strong move," said one analyst.

Tabacalera's chairman Cesar Alierta told a parliamentary economy commision on Monday that the company was looking to expand internationally. Tabacalera is Spain's largest cigarette producer and the world's No. 1 cigar maker.

"The company's aim is to generate more revenues through increased sales," Alierta said. " And international expansion is very important."

After a 20 percent rally in the last eight sessions, and a 63 percent rally since the start of the year, analysts say the stock is now one of the most

expensive on the market.
Experts attribute the gains to forecasts that the public share offering which will sell Spain's last 52 percent in the tobacco company should go exceptionally well.

"Everyone expects the privatisation to be a great success, although I think that at these levels demand will be particularly concentrated in the retail tranche" said one dealer.

Institutional investors however may not find the offering so attractive as, along with the mammoth rise in the share price, there is no discount on that tranche.

"At these prices, it won't be very easy to place Tabacalera shares among institutional investors" said the analyst.

State holding company Seppa will sell its last 52 percent stake in Tabacalera in a public share offering which should swell the state coffers by around 380 billion pesetas.

Tabacalera's privatisation will run alongside rights issues in Telefonica (TEF.MC) and BCH (BCH.MC), and will be immediately followed by a public share offering in utility Endesa (ELE.MC).

**---

WSJ: April Showers Bloom Corporate Activists

DJ (Dow Jones)
Date: Mon, Apr 6, 1998
By Lynn Cowan Dow Jones Newswires

It's spring, when activist shareholders' fancies turn to their pet issues and corporations prepare for an earful at annual meetings.

<EXCERPT>

Tobacco proposals are holding steady this year, Ms. Voorhes said. About 20 resolutions are awaiting votes at upcoming meetings, with most of them asking companies to divest themselves of their tobacco holdings or halt business dealings with tobacco companies, she said.

Mr. Fried said that when he was at Philip Morris, executives spent countless hours talking with shareholders to see if some compromise on issues could be reached. If negotiation didn't eliminate the issues from the proxy, he had to argue against their inclusion through the SEC. When shareholders decided to co-sponsor proposals, Mr. Fried had to make sure both parties agreed on the wording. Particularly aggravating for Philip Morris and its peers were shareholders who bought up stakes in tobacco companies to argue against the sale of tobacco products, the companies' core business.

". . . I think the social proponents have good causes, but they're addressing them in the wrong forum," he said. "I think their motivation is good. They're just going about it in the wrong way."

ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: ike <ike@swva.net> (ike <ike@swva.net> [UNKNOWN])

CREATION DATE/TIME:25-MAY-1998 17:02:54.00

SUBJECT: Part III, May 25

TO: abolition-caucus@igc.apc.org (abolition-caucus@igc.apc.org [UNKNOWN])
READ:UNKNOWN

TEXT:
http://search.washingtonpost.com/wp-srv/WAPO/19980522/V000798-052298-idx.html
Clinton Backs Cyber-Terror Warnings
By Douglas Kiker
Associated Press Writer
Friday, May 22, 1998; 1:31 p.m. EDT

ANNAPOLIS, Md. (AP) -- Nuclear warheads were the stuff of Cold War stockpiles and beachheads the battlefields of times gone by. To counter today's threats, President Clinton told a new class of Naval officers, the United States must amass germ-warfare vaccines and battle terrorists in cyberspace.

``If our children are to grow up safe and free, we must approach these new 21st century threats with the same rigor and determination we applied to the toughest security challenges of this century," the president said today in a commencement speech at the U.S. Naval Academy.

For the 769 graduating midshipmen and 139 midshipwomen whose dress uniforms shone blindingly white in the sun, Clinton painted a near-apocalyptic picture of the enemies who threatened their mission beyond the academy.

``As we approach the 21st century, our foes have extended the fields of battle from physical space to cyberspace, from the world's vast bodies of water to the complex workings of our own human body. Rather than invading our beaches or launching bombers, these adversaries may attempt cyber attacks against our critical military systems and our economic base," Clinton said. . . .

http://search.washingtonpost.com/wp-srv/WAPO/19980523/V000562-052398-idx.html
Cohen Warns of Terrorist Attacks
By Bill Cormier
Associated Press Writer
Saturday, May 23, 1998; 5:49 p.m. EDT

BUENOS AIRES, Argentina (AP) -- Opening his first visit to South America as U.S. defense secretary, William Cohen warned Saturday of a growing danger of terrorist attacks and the proliferation of unconventional weapons.

``We spoke at some length about the issue of international terrorism, the threat that biological and chemical weapons pose to democratic societies," Cohen said after meeting in Buenos Aires with Argentine President Carlos Menem and Defense Minister Jorge Dominguez. . . .

``Looking at ... threats such as biological weapons, chemical weapons, we know that virtually every country is susceptible to these kinds of attacks." . . .

http://search.washingtonpost.com/wp-srv/WAPO/19980522/V000059-052298-idx.html
Negative Ads Seem to Backfire
By Ron Fournier
AP Political Writer
Friday, May 22, 1998; 7:01 p.m. EDT

WASHINGTON (AP) -- Don't go negative.

That's the message California and Nebraska political consultants are hearing from voters, and they suspect similar sentiments will prevail across the country in November. . . .

Former Vice President Dan Quayle, laying groundwork for a 2000 bid in Iowa, said Friday that foreign policy has been ``the orphan of presidential politics" and world events are demonstrating why candidates should be forced to address the issue.

``It is not going to be the overriding issue, but it will be a material issue," said Quayle. ``I intend to make foreign policy an issue in the upcoming campaigns."

From nuclear tests in India and potential tests in Pakistan to worries about intentions in North Korea and questions about exporting technology to China, President Clinton has allowed world stability to deteriorate, Quayle argued.

``Clearly he doesn't spend much time on foreign policy," said Quayle. ``He's let this thing drift. The whole world is up for grabs."

Conventional political wisdom holds that voters don't care about foreign policy and that elections are driven by the pocketbook. A celebrated example of that was a sign in Clinton's 1992 campaign headquarters saying, ``It's the economy, stupid."

``Now we are finding out that it is more than the economy, stupid," said Quayle, who said nuclear tensions between India and Pakistan pose grave dangers.

http://search.washingtonpost.com/wp-srv/WAPO/19980524/V000032-052498-idx.html
Indian Heat Wave Death Toll at 70
Sunday, May 24, 1998; 6:25 p.m. EDT

NEW DELHI, India (AP) -- India's smoldering heat wave has killed 15 more people, pushing the death toll from heat-related illnesses so far this summer to 70, weather officials said.

Daytime temperatures hovered around 113 degrees in several parts of the country, and hospitals overflowed with victims of heat stroke, dehydration and other illnesses, officials said.

Apart from a freak shower in parts of New Delhi last week, there has been no rain. Monsoon rains will not reach the southern tip of the country in the coastal Kerala state for at least a week, weather officials predicted.

In the western desert province of Rajasthan and the northern states of Uttar Pradesh, Bihar and Madhya Pradesh, the summer has been the worst in three years, domestic news agencies reported. . . .

http://search.nytimes.com/search/daily/bin/fastweb?getdoc+site+site+20826+0+wAAA+%22May%7E23,1998%22%7Eand%7Enuclear
The New York Times
May 23, 1998
Senate Passes Bill to Punish Those Helping Iran Develop Missiles
By ERIC SCHMITT

WASHINGTON -- The Senate voted nearly unanimously Friday to punish foreign enterprises or institutions -- especially those in Russia -- that provide sensitive missile technology or expertise to Iran.

The 90-4 vote reflects the Senate's growing alarm at Iran's drive to build long-range rockets that could threaten American troops and allies in the Mideast, and frustration with Moscow for failing to curb missile know-how to Tehran. . . .

http://search.nytimes.com/search/daily/bin/fastweb?getdoc+site+site+20546+0+wAAA+%22May%7E24,1998%22%7Eand%7Enuclear
The New York Times
May 24, 1998
Threat From India Is Eroding Pakistan's Restraint, Premier Says
By STEPHEN KINZER

ISLAMABAD, Pakistan -- With the world awaiting his decision on whether to lead his country into the nuclear weapons club, Pakistani Prime Minister Nawaz Sharif said Saturday that he was trying to act with restraint but that India's recent nuclear tests pose a "threat that may materialize at any moment."

"This fills us with apprehension even now," Sharif said at a news conference. "The balance of power in the region has been violently tilted."

Sharif carefully avoided hinting at what decision he might make or when he might make it. He seemed to suggest, however, that no nuclear tests were imminent.

"We are being asked to show restraint," he said. "Have we not shown utmost restraint in all those years SINCE WE HAD THE NUCLEAR CAPACITY?" [emphasis added]

"The whole nation has demonstrated a sober and mature approach to this situation," he added. "We have not taken any action in haste. We have not acted in a tit-for-tat manner. We have not let any madness engulf us." . . .

http://search.nytimes.com/search/daily/bin/fastweb?
getdoc+site+site+36437+0+wAAA+%22May%7E25,1998%22%7Eand%7Enuclear
The New York Times
May 25, 1998
Policy Makers, Diplomats, Intelligence Officers All Missed India's Intentions
By TIM WEINER and JAMES RISEN

WASHINGTON -- When American spy satellites photographed clear signs that India was preparing for a nuclear test in 1995, Frank Wisner Jr., then the U.S. ambassador to India, showed the photographs to top Indian officials in a successful effort to persuade them not to test. It was a triumph of intelligence and diplomacy's working together to stop the spread of nuclear weapons.

But some officials now say success sowed the seeds of the failure to anticipate India's five nuclear tests this month. Showing the photos to the Indians revealed how the United States had spied on the test site, they say, and thus enabled the Indians to conceal their preparations this time -- for instance, by burying the cables and wires running into the shaft where they conducted the tests. . . .

http://search.nytimes.com/search/daily/bin/fastweb?
getdoc+site+site+36426+3+wAAA+%22May%7E25,1998%22%7Eand%7Enuclear
The New York Times
May 25, 1998
Clinton Aide Says China Trip Delay Would Be Mistake
By DAVID SANGER

WASHINGTON -- President Clinton's national security adviser said Sunday that "it would be an enormous mistake" to postpone Clinton's trip to China next month simply because of the current political storm over the export of satellite technology.

Nonetheless, White House officials are already scrambling to find diplomatic offerings they can bring to Beijing without worsening the controversy, since many of the initiatives Clinton is considering would use access to U.S. satellites and joint space research as a lure for China to take further steps in limiting weapons proliferation.

Appearing on the CBS news program "Face the Nation," Sandy Berger, the national security adviser, dismissed calls by virtually all the

Republican leaders in Congress for Clinton to cancel his trip. . . .

http://search.nytimes.com/search/daily/bin/fastweb?getdoc+site+site+36455+4+wAAA+%22May%7E25,1998%22%7Eand%7Enuclear
The New York Times
May 25, 1998
The China Connection

WASHINGTON -- Think of "the China connection" as two-tracked. One track is the purchase of White House influence by U.S. aerospace corporations eager to sell advanced missile technology to China. The second is the plan by China to affect Clinton policy by directing money through various fronts into the Clinton-Gore campaign. . . .

http://guide-p.infoseek.com/Content?arn=a1871ropto-19980522&qt=%22nuclear+weapon%22+nuclear+nuke+&lk=noframes&col=NW&nh=25&kt=A&ak=allnews
Clinton urges South Asia to avoid nuke race
02:32 p.m May 22, 1998 Eastern

ANNAPOLIS, Md. (Reuters) - President Clinton Friday urged both India and Pakistan to avoid a ``perilous" nuclear arms race that he said threatens both the region and the world.

Delivering the commencement address at the U.S. Naval Academy, Clinton lamented India's decision to renew nuclear testing and said it raises the ``specter of a dangerous rivalry in South Asia."

``India's action threatens the stability of Asia and challenges the firm international consensus to stop all nuclear testing," Clinton said.

``I ask India to halt its nuclear weapons program and join the 149 other nations that have already signed the Comprehensive Test Ban Treaty," he said. ``And I ask Pakistan to exercise restraint to avoid a perilous nuclear arms race." . . .

http://biz.yahoo.com/finance/980523/world_bank_2.html
Saturday May 23, 1:51 pm Eastern Time
World Bank to decide on India's loans in few days

KANANASKIS, Alberta, May 23 (Reuters) -World Bank President James Wolfensohn said on Saturday that his bank will decide within a few days whether to delay energy loans to India as part of sanctions for India's recent nuclear tests. . . .

http://dailynews.yahoo.com/headlines/top_stories/story.html?s=z/reuters/980523/news/stories/pakistan_11.html
Saturday May 23 7:52 AM EDT
Pakistan PM warns India against "misadventure"

ISLAMABAD, Pakistan (Reuters) - Pakistan Prime Minister Nawaz Sharif said Saturday that any Indian provocation after its nuclear tests last week WOULD BE MET WITH "A RESOLUTE RESPONSE." [emphasis added. Is he talking nuclear? It is my guess that he is.]

Sharif told a news conference that an eventual decision on Pakistan conducting its own nuclear test "would be taken in our supreme national interest."

The Pakistani leader said Islamabad would not tolerate further Indian provocation over the disputed Kashmir territory and said India's nuclear tests had cast a "dark shadow" over the entire South Asian region.

"Any misadventure will be met with a resolute response," he said.

He gave no hint as to when any Pakistan test might take place but said the threat of sanctions from the United States and Japan would not intimidate Islamabad.

"The talk of sanctions is familiar to us. It does not rattle us," he told the FIRST FULL NEWS CONFERENCE since India detonated the first of five nuclear devices on May 11. . . . [emphasis added]

http://dailynews.yahoo.com/headlines/world/story.html?s=z/reuters/980522/international/stories/russia_19.html
Friday May 22 5:14 PM EDT
Angry miners defy Yeltsin over rail blockade
By Martin Nesirky

MOSCOW (Reuters) - Angry unpaid coal miners defied President Boris Yeltsin on Friday, saying his criticism of their protests blocking rail lines across Russia had simply hardened their resolve.

Yeltsin said in a radio address that strikes could be a useful tool to bring about change -- a clear nod to the miners' own role in helping him smash Communist rule -- but were in this case sapping the crisis-hit economy.

"The present strikes have gone beyond a reasonable limit," Yeltsin said of the miners' week-long blockade of many major rail arteries including the east-west Trans-Siberian route.

"By paralyzing the operation of the railways they have already inflicted huge losses on our economy and brought suffering to thousands and thousands of innocent people." . . .

http://biz.yahoo.com/prnews/980522/s_p_republ_1.html
Friday May 22, 10:26 am Eastern Time
Company Press Release
SOURCE: Standard & Poor's CreditWire
India's Credit Rating Affirmed; Outlook to Negative

NEW YORK, May 22 /PRNewswire/ -- Standard & Poor's today affirmed the Republic of India's long-term foreign currency issuer credit rating of double-'B'-plus and its local currency issuer credit rating of

triple-'B'- plus. At the same time, Standard & Poor's changed the
outlook on both ratings to negative from stable. . . .
OUTLOOK: NEGATIVE
A ratings downgrade could occur if economic sanctions materially worsen the country's access to external funding, lower its growth prospects, and exacerbate its already high fiscal deficit -- now running at nearly 9% of GDP including the state and central governments. Continued diplomatic deadlock over India's nuclear policy, as well as a potential nuclear test by neighboring Pakistan, could undermine efforts to raise both private and public investment to staunch the recent fall in GDP growth to about 5%. . . .

http://biz.yahoo.com/prnews/980518/ca_thorsne_1.html
Monday May 18, 1:20 pm Eastern Time
Company Press Release
SOURCE: Michael Thorsnes
Federal Missile Safety Suit Settles for Record $55 Million

SAN DIEGO, May 18 /PRNewswire/ -- A ``whistle blower's'' suit against Hercules Inc. [NYSE:HPC - news] contending that the company falsified manufacturing and inspection records over 11 years in its production of nine rocket systems -- including those carrying nuclear warheads -- has been settled out of court for $55 million, according to two San Diego attorneys who represented plaintiff Katherine A. Colunga, a former Hercules employee. . . .

http://biz.yahoo.com/finance/980519/india_boei_1.html
Tuesday May 19, 2:44 pm Eastern Time
Boeing says sanctions won't hit India sales
By Uday Khandeparkar

BOMBAY, May 19 (Reuters) - Boeing Corp's business in India had not been affected by economic sanctions imposed on the country by the United States last week, Boeing India President Dinesh Keskar said on Tuesday.

``Sanctions do not affect our ability to sell airplanes to any carrier in India,'' Keskar told a news conference.

``I have let the (Indian) Civil Aviation ministry know that contrary to what some people have been saying, we are not prevented from doing business with India. There are no restrictions on us,'' he said.

[In my view, this conflicts with previous reports in the WSJ, and causes me to wonder if sanctions do not bite with Boeing whether they are to me a paper tiger.]

http://www.lasvegassun.com/sunbin/stories/news/1998/may/23/052300650.html
May 23, 1998
Pakistan Links Nuke Tests, Weapons
ASSOCIATED PRESS

ISLAMABAD, Pakistan (AP) -- Pakistan's foreign minister said Saturday that his country may not conduct nuclear tests if it is given weapons within a month to "restore military and strategic balance with India," which conducted its own nuclear tests earlier this month.

Islamabad should be "given conventional weapons so advanced that they can take on the Indian conventional weapon system," the Indian weekly magazine Outlook quotes Gohar Ayub Khan as saying in an interview to be published Monday. He said Pakistan also should be given economic aid. . . .

http://frontierpost.com.pk/bus3may-19.html
MAY 19, 1998 TUESDAY 22 MUHARRAM-UL-HARAM, 1419
Investors loseRs 12.55b as
nuke race looms
KSE 100-index down by 52 points
From: A. Rafiq Khan

KARACHI - Trading on Karachi Stock Exchange started with bearish note 100-index shot down by 52 points.
Confusion and uncertainty marred the trading in awkward fashion on Monday. Serious attempts made by financial institutions to create a confidence in the market proved in vain..
Off-loading tendency forced a crack-down on almost all leading items. . . .

http://www.yahoo.co.uk/headlines/980525/european/896092980-0000020988.html
Monday May 25, 10:43 AM GMT
Kohl govt backs Merkel in nuclear waste scandal
By Terence Gallagher

BONN, May 25 (Reuters) - Environment Minister Angela Merkel, facing calls to resign over revelations of contaminated nuclear waste shipments, has the full backing of Chancellor Helmut Kohl, a top government official was quoted on Monday as saying.

Chancellery Minister Friedrich Bohl told the Cologne daily newspaper Express that the government stood firmly behind Merkel and that Kohl would leave the issue in her hands. Parliament will debate the matter on Wednesday.

Opposition politicians have called on Kohl either to support Merkel or to fire her over the nuclear waste scandal.

The scandal, which erupted last week, concerns the shipment of spent fuel rods from nuclear power stations in Germany to reprocessing plants at La Hague in France and Sellafield in Britain, and their return to Germany for storage.

Some of the containers used in transport since the 1980s were found to have had spots of contamination. In some cases the level was thousands of times in excess of the legally acceptable limit. . . .

http://dawn.com/daily/text/int4.htm
25 May 1998
Monday
28 Muharram 1419
N-tests should have been earlier: BJP

NEW DELHI, May 24: India's nuclear tests were not "bravado" and should have been conducted much earlier, the president of the BJP said in a television interview to be broadcast on Monday.

"I don't think it was bravado. It was a necessity and it should have been done much earlier. The bluff of the international blackmailers should have been called much earlier," Kushubhau Thakre told Mome Television. . . .

http://dawn.com/daily/text/top6.htm
25 May 1998
Monday
28 Muharram 1419
Taliban oppose N-tests

KABUL, May 24: Taliban militia on Sunday backed Pakistan's moral right to conduct nuclear tests but joined a chorus of pleas to their neighbour to show restraint.

Afghanistan considers the nuclear tests by India as a threat to regional security which will result in a nuclear arms race, an official statement from the militia said. . . .

http://dawn.com/daily/text/nat16.htm
25 May 1998
Monday
28 Muharram 1419
N-arms race may wreck peace, warns Kanju
By Our Correspondent

NEW YORK, May 24: Pakistan Minister of State for Foreign Affairs, Mohammad Siddique Kanju has warned the western nations that the nuclear arms race in the subcontinent might harm peace in the world.

"If the United States and the western nations do not rein in India's nuclear ambitions, the subcontinent could become engulfed in a nuclear arms race which will undermine the international peace and security", said Siddique Kanju on Friday. He arrived here from Cartagena after attending the Non-Aligned Movement moot, and left immediately for Pakistan. . . .

http://dawn.com/daily/text/int3.htm
25 May 1998

Monday
28 Muharram 1419
India moves to calm nuclear row with Pakistan, China

NEW DELHI, May 24: India is making a concerted push to defuse the slanging match with China and Pakistan, which has pushed tension in South Asia to dangerous levels since the nuclear tests, officials said on Sunday.

Both the prime minister's office and the foreign ministry are calling for dialogue with China and Pakistan in a bid to counter fiery sabre-rattling rhetoric from ministers in the BJP government. . . .

http://www.russiatoday.com/rtoday/news/13.html
Updated Monday, May 25, 1998 at:
NYC 6:43 a.m. London 11:43 a.m. Prague 12:43 p.m. Moscow 2:43 p.m.
Kazakhs Oppose U.S. Sanctions on India

DOHA -- (Reuters) Kazakh President Nursultan Nazarbayev said on Saturday his country did not support the U.S. decision to impose sanctions on India for conducting a series of nuclear tests earlier this month. "While I am worried the nuclear arms race is reaching our region, Kazakhstan is against all sorts of sanctions, whether it is against India or Iran," he told reporters on the first day of a two-day visit to Qatar. . . .

http://www.sltrib.com/05251998/nation_w/35156.htm
Monday, May 25, 1998
Before India Proved Him Right, Boss Said CIA Was Slipping
THE WASHINGTON POST

WASHINGTON -- One week before the Indian nuclear test caught the U.S. intelligence community by surprise, CIA Director George Tenet told his employees he believed the agency's espionage capabilities had eroded since the Cold War and its analysts were depending too much on Pentagon spy satellites, according to CIA officials. . . .

http://www.washingtonpost.com/wp-srv/WPcap/1998-05/25/054r-052598-idx.html
Nuclear Dilemmas
India; New Power Raises Crucial Questions
By Kenneth J. Cooper
Washington Post Foreign Service
Monday, May 25, 1998; Page A01

NEW DELHI-Now that India has declared itself a nuclear power, its leaders must decide under what circumstances that awesomely destructive power would be used.

Official, secret deliberations are about to get underway in Prime Minister Atal Bihari Vajpayee's coalition government, which must answer crucial questions of nuclear doctrine -- not only those regarding potential use, but also how many and what kind of weapons are to be built, how they would be delivered against an enemy and what constitutes foolproof oversight of a nuclear arsenal.

Alternately, it is even conceivable that India could decide to cap its nuclear program at the testing stage, suspending further military development if the established nuclear powers agreed to a disarmament timetable.

Vajpayee already has ruled out using nuclear weapons except in defense of the nation, and a prominent cabinet member has said India would not undertake a nuclear "first strike" against another country. But many other questions about India's emerging nuclear doctrine remain unanswered, awaiting a strategic defense review by a national security council that has yet to be established.

"INDIA IS VERY MUCH LIKE THE UNITED STATES. YOUR POLICY STARTED DEVELOPING SOME 10 TO 15 YEARS AFTER THE [NUCLEAR] WEAPONS ARRIVED," said K. Subrahmanyam, a columnist who specializes in international relations. "In the case of India, I don't think it will take that much time." [emphasis added] . . .

The Institute for Science and International Security in Washington estimates that India has the weapons-grade plutonium to build 74 nuclear warheads and that its Dhruva reactor near Bombay can produce enough material for four more per year. India Today, the nation's leading newsmagazine, has described the current plutonium supply as enough for only 20 small bombs. . . .

To achieve maximum deterrence, a nation must have a TRIAD -- the known capacity to make nuclear strikes from land, air and sea -- against any of the major nuclear powers. [emphasis added. What about Pakistan? A triad there is even less likely, i.e. deterrence does not work in the India-Pakistan relationship] . . .As bystanders during the Cold War, India's national security specialists seem to have given little thought to one matter:_the construction of supposedly bomb-proof underground hideouts similar to those the United States built for top government officials and military commanders in the event of the unthinkable.

Singh said such bunkers are unnecessary because India's nuclear weapons are for deterrence, not fighting a war, and because advances in telecommunications could make pushing the button easier.

"In today's world, a motorized cell phone connected to a satellite will do the job," Singh said. [Wow, just what we need a cell phone for.]

http://www.boston.com/dailynews/wirehtml/145/Sen__Daniel_Patrick_Moynihan_says_n.htm
Sen. Daniel Patrick Moynihan says nuclear threat is not India
Associated Press, 05/25/98 01:05

Despite the recent focus on nuclear testing in India, the real nuclear threat to world peace remains in states such as Iran and Iraq, Sen. Daniel Patrick Moynihan told Middlebury College's graduating seniors.

``India has proven an exemplary power in terms of controlling the proliferation of nuclear gadgetry," Moynihan told the graduates Sunday. ``The immediate threat to world peace comes from ``rogue" states such as Iran and Iraq which would get nuclear weapons for the purpose of using them."

And that threat is greater now than it's been in several decades, Moynihan said after he delivered his speech to 574 graduates on a bright day.

``Just when it seemed all over, THE ROAD IS MORE THREATENED BY NUCLEAR WAR TODAY THAN IT HAS BEEN AT ANY TIME SINCE AROUND (PRESIDENT JOHN KENNEDY'S TIME)," Moynihan said in an interview. [emphasis added]

``If (Iran or Iraq) get a weapon, it will be for the purpose of using it on somebody else. India is not that way," he said. ``You could have an Islamic bomb in no time, and God have mercy on us." . . .

http://news.bbc.co.uk/hi/english/uk/newsid_99000/99816.stm
Sunday, May 24, 1998 Published at 17:28 GMT 18:28 UK
Calls for nuclear plant to shutdown

Thorp opened in 1994
Environmental campaigners are calling for the closure of the Thorp reprocessing plant at the Sellafield nuclear complex following claims that radioactive material has leaked. . . .

http://www.latimes.com/CNS_DAYS/980524/t000048812.html
Sunday, May 24, 1998
Warnings, Shells Fly Over Tense Border
By DEXTER FILKINS, Times Staff Writer

UZAFFARABAD, Pakistan--Prime Minister Nawaz Sharif told the nation Saturday that he would retaliate against any Indian aggression, capping two weeks of increasingly acrimonious relations between the two countries.

At his first news conference since India tested five nuclear devices earlier this month, Sharif tried to respond to a series of warnings by Indian officials over contested territory in the mountainous region of Kashmir.

"Statements emanating from Indian leaders virtually amount to nuclear blackmail," Sharif said in a statement broadcast around the country. "Any misadventure will be met with a resolute response." . . .

Respectfully submitted,
Ike Jeanes

ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: Gene Borio <gborio@mindspring.com> (Gene Borio <gborio@mindspring.com> [UNKNOWN])

CREATION DATE/TIME:21-JUN-1998 17:21:08.00

SUBJECT: 06/21/98 News 3 of 3

TO: jc-enews@smokescreen.org (jc-enews@smokescreen.org [UNKNOWN])
READ:UNKNOWN

TEXT:
**---

Secret memo shows firm was "more concerned with image than people's health"

The Guardian
Sunday June 21, 1998
By Marie Woolf

The chairman of cigarette giant British American Tobacco blocked plans to develop a safe cigarette, according to internal documents seen by The Observer,

Anti-smoking groups condemned the revelation as "shocking", saying BAT was more concerned with its image than people's health.

The company memo shows Sir Patrick Sheehy was afraid that developing a safe cigarette would imply that ordinary cigarettes are "unsafe". Clive Bates, director of anti-smoking pressure group Ash, said: "It shows that the boss of BAT chose not to give a higher priority to safe cigarettes for PR reasons."

Sheehy refused to back a colleague who supported key research into a safe cigarette.

"I cannot support your contention that we should give a higher priority to projects aimed at developing a 'safe' cigarette," he says. Sheehy, who was knighted under the Thatcher government and whose report into the police provoked a storm in 1993, is now being sought by US lawyers acting for Massachusetts, which is suing BAT and other tobacco firms for billions of $in medical expenses. They want to cross-examine Sheehy in Britain.

In the memo, Sheehy contends that a safe cigarette without cancer-causing elements is "probably unattainable," and believes BAT should devote effort towards making ordinary cigarettes "acceptable to the authorities and to the public".

He says: "This is the real challenge facing the industry." He wanted to invest in experimental science and research into cigarettes instead.

A BAT spokesman said the company had tried creating a safe cigarette by removing carcinogenic elements in the 1970s and 1980s but found it did not work.

"Sheehy was worried about ranking cigarettes in terms of safety and you cannot do that scientifically," said Dr Chris Proctor, BAT's head of science.

**---

OVERHEARD

St. Paul Pioneer Press
June 21, 1998

No sacrificial lamb, he What do officials of Philip Morris, the leading U.S. cigarette maker, really think of Minnesota Attorney General Hubert H. Humphrey III?

A newly disclosed internal company memo offers a few scurrilous possibilities, including liar, loser and sheep-lover.

The comments about Humphrey -- meant to be an inside-the-company joke -- are contained in a June 27, 1996 memo written by a media affairs official in Philip Morris' New York headquarters and sent by e-mail to other executives.

The memo was disclosed recently under the terms of the Minnesota tobacco settlement. A sheepish Philip Morris spokeswoman said the comments never were intended for public consumption.

At the time the memo was written, Humphrey not only was pressing the Minnesota tobacco lawsuit -- a case cigaretteakers agreed to settle for $6.6 billion last month -- but also was highly critical of an industry plan to curb cigarette sales to minors.

The memo describes a telephone call to a Philip Morris official from a Los Angeles Times reporter who was writing a story about the industry's youth-access program.

The Philip Morris official wrote "[W]hen asked to comment on Humphrey's accusation that we are not to be trusted and our program is a pathetic, grandstanding, foot-dragging, finger-pointing PR stunt, I told (the reporter) that he could tell Humphrey we think he is a lying, power-tripping, sheep-loving, all-talk-but-no-action loser."

The memo added in parenthesis, "Just kidding about the last part." The comments were not actually made to the reporter.

When told about the memo last week, Humphrey's staff first had a laugh, then spent two days drafting a cautious response.

"If that is what they called him in 1996, I wonder what they say about Skip now that he has forced them to pay a record $6 billion for Minnesota taxpayers and enacted the nation's first ban on marketing to kids?" asked Leslie Sandberg, Humphrey's press secretary.

Whistle while you work

St. Paul City Council Member Jay Benanav was in a playful mood Thursday as he attended his last council meeting before a two-week vacation in Israel.

The council passed an ordinance banning the sounding of train whistles in the city except in cases of imminent danger to life or property.

"In memory of the last train whistle in St. Paul," Benanav said before blowing a wooden whistle from Duluth's train museum.

His colleagues pronounced him ready for his vacation.

"Is that a one-way ticket?" quipped Council Member Jerry Blakey.

But it was a democratic process

As gubernatorial candidates ponder their choices for lieutenant governor, they may consider issues of geography, gender and political support before offering someone the chance to make it official, a process often consummated with a big hug at a news conference.

Tongue-in-cheek, DFL candidate Mark Dayton suggested he may select a running mate in the same fashion as a man chose a bride Saturday at the Mall of America. (David Weinlick's friends cast ballots after interviewing 24 self-nominated candidates, and Weinlick then went through a wedding ceremony with winner Elizabeth Runze.) In truth, Dayton said, he'll probably announce his choice sometime after the Fourth of July.

Maybe in the next millennium

We'll break out the lutefisk if this character becomes an American.

U.S. Rep. Martin Sabo last week proposed a House resolution to make Leif Ericson, the ancient Norse explorer, an honorary U.S. citizen.

"Many people do not know that Leif Ericson actually preceded Christopher Columbus in discovering North America," Sabo said. "It is fitting that we recognize him for his courage and determination in this effort."

Sabo's resolution stems from his work with the Leif Ericson Millennium Committee, which is organizing events to celebrate the explorer's voyage to North America around the year 1000.

xx

If Congress passes a big tax cut this year, Sen. Rod Grams' fingerprints will be on it. The Minnesota Republican is on the House-Senate conference committee that will write Congress' budget blueprint for the year.

The Senate earlier approved a plan that called for a $30 billion tax cut, while the House voted for $101 billion in tax relief. Before they voted for the Senate plan, Grams and four other GOP senators extracted a promise from party leaders that the final budget resolution would provide for the higher amount of tax cuts approved by either the House or the Senate. That's $101 billion.

If the final version doesn't provide that much tax relief, Grams and the other four dissidents have threatened to vote against it. Republicans can't pass a resolution without their five votes, and that gives Grams leverage to press for larger tax cuts in the conference committee.

Staff writers David Shaffer, Virginia Rybin, Debra O'Connor and Bill Salisbury contributed to this report.

**---

Cigarette model hangs on to life
Former face for Winston tobacco ads awaits day in court
By LORI ROZSA Herald Staff Writer

Miami Herald
June 21, 1998

Thirty years ago, Alan Landers epitomized all that was cool about smoking -- at least, all that Madison Avenue wanted the public to believe was cool.

With his cosmopolitan good looks, Landers was the favorite model for Winston cigarettes. On billboards, in magazines, on TV -- he beamed suavity, good times and robust health, all with a cigarette between his lips or fingertips.

Now, Landers is deathly ill. He has lung cancer, and he is suing the people who used to pay him to puff.

Landers, who lives in Lauderhill, filed his lawsuit against cigarette makers in 1995, but just got a trial date this month. He blames the cigarette industry for the delay, but the attorneys say it just takes time to work through the system.

"All I want is my day in court before I die," Landers said.

The case is scheduled for trial in April 1999 -- more than three years after it was filed. Part of the delay, attorney Casey Steele said, was caused by the state's lawsuit against the tobacco industry.

Landers' case was originally assigned to the same judge as the state's massive case, Circuit Judge Harold Cohen. It was moved to another judge, then the state's case was settled, freeing up Cohen's docket calendar.

Then, Cohen moved to another division, and it was moved back to the second judge, Richard Wennet.

"This is an unusual situation, with the fact that so much is going on there with the state's case," Steele said. "It's frustrating for us, but sometimes these cases take a long time to get a date."

Landers hopes he can hold out. He plans to. He has already outlived two colleagues in the cigarette ad business -- two former Marlboro Men, David McLean and Wayne McLaren, who both died of lung cancer.

Attorneys for the cigarette makers said Landers made the choice to smoke, and made the choice to work for a client on a job that required smoking. They deny his claims that they used false advertising to lure people to smoke, and plan to take depositions from his former friends and associates to show that he knew what he was doing when he lit up a cigarette.

Landers said he and millions of others were deceived by the industry about the dangers of cigarette smoking, and that once he was addicted, he didn't have a choice.

It sometimes took 25 cigarettes to get the right amount of ash, the picture-perfect curl of smoke, for one photo, Landers said.

One of his most memorable ad campaigns, "Winston tastes good, like a cigarette should," shows him outdoors, hauling a Christmas tree, smiling with a cigarette dangling from his lips.

He said he's ashamed he participated in the efforts to get people to smoke. Now he's an anti-tobacco crusader. He makes speeches, and he testified before Congress and the Florida Legislature. Gov. Lawton Chiles thanked him for his "compelling testimony," calling it a "true profile in courage."

Landers, who started smoking at age 9, didn't quit smoking, even after he was diagnosed with lung cancer in 1987. His doctor told him to quit smoking. Landers lit up the night before in the hospital waiting room.

"The doctor yelled at me," Landers recalled. "I cried. I said I couldn't help it."

Since then, he has quit for good, though he went through another operation to remove part of a lung, and through heart surgery.

He figures he's a perfect example of what he calls the addictive and devastating effects of cigarette smoking.

"I'm lucky I can even breathe," Landers said. "If you still can't put the damn things down even after you find out you have lung cancer, doesn't that mean they're addictive?"

**---

Health Care Named As Top Concern

Washington Post
June 21, 1998
By Ceci Connolly, David Broder and Terry M. Neal
POLITICS

People may be fired up about tobacco, but health care is what really makes them hot.

Given a list of issues to chose from, more people named regulation of the managed health care industry as the most important to them personally and for the country, according to a new Pew Research Center poll. Tobacco finished fifth, after such issues as campaign finance reform and the outcome of this year's congressional elections.

But more than anything, the electorate seems bored and distracted when it comes to politics -- quite a change from four years ago when it was irritable and eager for change. The number of people, 36 percent, who say they follow what's going on in government and public affairs most of the time is at its lowest point of the decade.

Furthermore, only about 9 percent of the poll's respondents said they follow news about the candidates and elections in their states very closely.

**---

2 women find there's life after cigarettes but it wasn't easy
Why do people decide to stop smoking? And why does it sometimes take them more than one try?

Winston-Salem Journal
June 21, 1998
By Eleni Chamis
JOURNAL BUSINESS REPORTER

Carol McDowell's first cigarette was a stolen one from her mother's pack.

She was 16.

She was caught before she could finish it. Her mother noticed the smoke she was blowing out a second-story bathroom window.

She said she was scared when her mother called her out from behind the closed door.

"If you think you want to smoke, you can buy your own," her mother said.

McDowell started slowly, stashing away lunch money to buy two or three cigarettes at a time.

She continued to smoke for 36 years, getting up to a pack-a-day habit.

When she walked for exercise, she smoked.

"I remember sitting in church wondering when he (the minister) would say the 'Amen' so I could get out to my car and smoke," she said.

Unlike some smokers, McDowell never had any health problems related to her smoking. She didn't want to quit. She enjoyed it.

She constantly struggled with the cost, switching from a more expensive brand to a savings brand, then buying generic cigarettes or whatever happened to be the cheapest.

But Dec. 31, 1997, after two failed attempts, she quit. A lot of the reason, she said, was the cost, but not just the cost of cigarettes. It was the perfume she bought to cover up the smoke smell on her body and clothes. And the lotions to rub on her hands, which reeked of smoke.

"It's like a vicious cycle," she said. "You're just wasting money . .

. for this perfume that nobody smells."

Once she made up her mind, it was easy.

"I'm through," she said. "Unless the whole of you wants to quit, you won't. The all of Carol just wanted to quit.

"I got tired of going outdoors in the rain, in the dark, in the back to smoke," she said with a laugh. "It became an inconvenience to be a smoker."

Many people want to quit smoking because of societal pressures, said Mary Martha Smoak, a teacher in the FreshStart smoking-cessation program at the Wake Forest University School of Medicine.

"With all they hear on TV and in the media, they feel like an outcast," she said. "They're tired of feeling looked down upon, being segregated while they smoke outside."

Most people start smoking between the ages of 13 and 16, Smoak said.

"Most of the ones we see honestly think they can stop any time they want to," she said. "After our classes, they say, 'If only I had realized how strong the addiction was.' "

Marcia McCall didn't realize it. She started while studying abroad at a summer MBA program in Oxford, England. She was 33 years old.

She tried it because it was something she had never done.

"At first, I said, 'I'm just going to do it for these two weeks.' Then I came home and I said, 'I would really like to have one at night before I go to bed.'

"I made deals with myself. We smokers rationalize our way into it."

It was a way for her to stay awake while she studied. She started to smokemore often but managed to hide it from her two children. She grew dependent on it as a way to relax, relieve stress, cope with the harder times in life.

"Smoking has been there for every major and minor event in your life," McCall said. "You feel lost without it. It's been there as your companion. You have to relearn everything in life, without a cigarette."

McCall said that smoking always made her feel worse -- she developed an annoying cough. She lost the ability to exercise as vigorously as she had. She lacked energy. Yet she couldn't shake the craving for nicotine.

She tried unsuccessfully to quit.

"The process of quitting is why people go back to smoking," she said.

"I made the mistake, and I made it over and over again, that I could control this addiction. At first, you have to fight the urge 100 times a day. Then it gets less and less."

With support from the FreshStart program and from friends and family, she finally managed to quit. She has been smoke-free for more than a year.

**---

No Exit A LEXICON OF TERROR: Argentina and the Legacies of Torture. By Marguerite Feitlowitz (Oxford University Press: 302 pp., $30)

LA Times
June 21, 1998
By JERI LABER

More than 20 years have passed since the 1976 military coup that launched Argentina's "dirty war." Twenty thousand to 30,000 people perished under four successive juntas before Argentina, broken by the ill-considered Falklands War, returned in 1983 to civilian government under President Raul Alfonsin. Early attempts at truth-telling and prosecuting abusers were undermined by military pressure on Alfonsin, who passed laws absolving all officers below a certain rank and setting February 1987 as the final date for all trials related to the "dirty war." President Carlos Menem, who assumed office in 1989, capitulated still further by pardoning all senior military officers convicted or facing trial, including the convicted top commanders.

<EXCERPT>

Feitlowitz also devotes a chapter to the under-reported kidnappings and killings of tobacco farm workers in the remote northeastern province of Corrientes who were persecuted for organizing Agrarian Leagues.

**---

Robert Leslie, 31, Smokeless Tobacco Foe

The New York Times
June 21, 1998
By THE NEW YORK TIMES REGIONAL NEWSPAPERS

OTATI, Calif. -- Robert Leslie, a high school baseball coach who counseled against the use of smokeless tobacco in a video widely shown in the nation's high schools, died on Monday in Santa Rosa Memorial Hospital. He was 31 and lived in Cotati.

Leslie had been suffering from cancer of the mouth, and said he believed that the cancer had resulted from years of stuffing wads of smokeless tobacco between his gums and lower lip.

He continued coaching after his cancer was diagnosed four years ago.

Leslie was the third-base coach on June 6 when his Casa Grande High School team won the North Coast Section 2A title game against crosstown rival Petaluma High School.

After learning of his diagnosis, Leslie made a videotape for Joe Garagiola, the former major league catcher and commentator, cautioning against the use of tobacco.

The video has had more impact on tobacco users than anything previously used in the campaign against smokeless tobacco, said Garagiola, who heads a national campaign against smokeless tobacco.

Leslie, who was a star pitcher at Rancho Cotate High School, turned to coaching after a brief attempt at playing professional baseball.

Leslie is survived by his wife, Amy; a daughter, Nicole; his parents, Richard, of Sebastopol, and Patricia; two brothers, John, of Pengrove, and Steve, of Rohnert Park, and a sister, Joanne, of Sebastopol.

**---

Older actors offer a truly golden age

San Diego Union-Tribune
21-Jun-1998 Sunday
David Elliott MOVIE CRITIC

<EXCERPT>

Redgrave can slice some meaty ham, as in "Mission: Impossible," and was recently ace in two small roles: neatly crushing little Tea Leoni in "Deep Impact" -- truly a no-contest victory -- and as the haunted free spirit who upscales scenes in "Deja Vu," in which Redgrave even makes a smoking break a signal of mature complexities.

**---

BC-Forbes-Billionaires-List, HFR-3rd Add,0553

FAP (AP France)
Date: Sun, Jun 21, 1998

BC-Forbes-Billionaires-List, HFR-3rd Add,0553

NEW YORK: Garanti Bank

<EXCERPT>

154(Tie), Wonowidjojo family, Indonesia, 2,100, tobacco

186(Tie), Tan, Lucio, Philippines, 1,600, tobacco, airlines, beer

**---

However popular, the flag amendment and advertising bans should not be passed.
On guard for threats to free speech

Grand Forks (ND) Herald
June 21, 1998

Once again, freedom of speech is threatened in the U.S. Senate, and once again, newspapers must take the unpopular position, resisting these attacks while understanding the motives that give rise to them.

The attacks are in separate pieces of legislation. One would amend the U.S. Constitution to forbid desecration of the flag. The other would forbid advertising tobacco products.

The flag amendment is the most troubling, because it strikes directly at the Constitution. This would be the first amendment to the Bill Of Rights, which the founders considered so important that they worked hard to entrench them in the Constitution.

Worse, the amendment could encourage exactly what it is meant to stop.

Passing the amendment would focus attention on desecrating the flag as a form of protest. That could mean that flag burning, for example, would become a preferred method of protest, rather than the rare expression that it is today.

North Dakota's two U.S. senators have so far refused to commit themselves on the flag amendment. Two years ago, both Kent Conrad and Byron Dorgan voted against the amendment.

They ought to do so again, to protect the freedoms that America's founders considered so important.

Efforts to forbid advertising by tobacco companies also represent a threat to freedom of speech. Congress is forbidden by the Constitution from passing any law that abridges this freedom, and a ban on advertising certainly does that.

This attack on freedom of speech is less ominous than the flag amendment only because it doesn't focus on the Constitution. In this way, it leaves open the likelihood that courts will strike down the law.

Of course, tobacco is harmful. That's been proven. Tobacco is legal, however, and forbidding the advertising of a lawful product is not the way to combat tobacco use.

Nor is the flag amendment the way to combat desecration of the nation's symbol.

In both cases, education is the better course. Unfortunately, it is also the more difficult course.

In each of these instances, backers of good causes have chosen the easy way. By making something illegal, they believe, we can make it go away.

The world doesn't work that way.

The flag amendment is a misguided effort to protect Old Glory, just as a ban on tobacco advertising misses the point of the fight against tobacco.

It may not be popular to say so, but these well-intentioned initiatives, for the flag and against tobacco, are misguided and should be turned back.

Freedom of speech is precious -- and it is not automatic. Free speech needs friends. As Thomas Jefferson said, the price of freedom is eternal vigilance.

--Mike Jacobs, for the Herald.

**---

Editorial: Tobacco bill: Plenty of blame to go around

Minneapolis-St. Paul Star Tribune
Published Sunday, June 21, 1998

How little difference a year can make. Yesterday, on the anniversary of the cigarette companies' proposed national settlement, tobacco control was going nowhere in Congress, the White House was still offering exhortation in place of leadership, and the court dockets were growing ever longer.

Democrats and Republicans are busy this weekend trying to tar each other for the sinking of a comprehensive tobacco bill put forth by Sen. John McCain, R-Ariz. But Americans who have watched the process know there is plenty of blame to share.

Start with the White House. Despite impassioned pledges to press for comprehensive tobacco legislation, with special emphasis on reducing underage smoking, President Clinton has been a follower, not a leader, in getting the job done.

Last summer, when the industry and a group of attorneys general announced their accord, it took the president three months to deliver his response and specify his requirements for improvement. This February, when Democrats introduced legislation that met those requirements, Clinton took a wait-and-see stance that encouraged weaker alternatives.

As for the Republicans, their efforts have been aimed at throttling the legislation without leaving any fingerprints. Sen. Trent Lott, recusing himself from leadership on the issue because of family ties to an architect of the industry-backed settlement, has left no doubt about his distaste for the McCain bill in the last few weeks.

McCain, who claimed to offer a bipartisan solution, held at bay nearly all efforts by the Democrats to strengthen his plan. Indeed, the sole significant contribution from the Senate's toughest foes of smoking -- removal of the bill's limits on industry liability -- came after the legislation had been derailed by tobacco PR.

In the end the McCain bill had become, as Lott lamented, distorted and overburned by attachment of tax cuts, child-care programs, needle-exchange bans, lawyer-fee limits and more -- thanks mostly to Lott's caucus. But it still was within amending range of pretty good law, assuredly better than anything that is likely to follow this session. (At the risk of prejudging a bill that hasn't been written, it will be surprising if Newt Gingrich's scheme for discouraging youth smoking without raising cigarette prices develops much credibility.)

Over the last year, the most reliably candid and consistent players have been the industry's. They brokered a deal they wanted, they warned Congress against making too many changes, and when the legislation was no longer to their liking, they launched a $50 million campaign to sink it. Now the companies face some 800 lawsuits, and the recent track record can't help their confidence. There is talk that some attorneys general may revive the cases they proposed to settle last June.

And so, after a year of trying to dictate the shape of national tobacco policy, the cigarette companies are back in court, hoping to avoid the verdict that spells disaster. Perhaps that's what it will take to stop this industry from denying the nation the tobacco policy it needs.

**---

The tobacco solution: Keep it clean, simple

Greensboro News & Record
June 21, 1998

The McCain tobacco bill failed for a number of reasons, the first of which is the least defensible: election-year partisan politics. Late last year, when public opinion seemed to run heavily against tobacco in the wake of last summer's proposed national tobacco settlement, Senate Republicans rallied behind legislation that went even farther. But by last week, when it was time to vote, the bill had lost its charm.

The president and the Democratic congressional minority, for their part, have made it plain that they plan to hammer Republican candidates for defeating the tobacco bill. Content is incidental; what counts is the illusion of being in Big Tobacco's pocket. It's an illusion that, truth be known, Big Tobacco cultivated skillfully with its $40 million TV campaign against the McCain bill.

Some Republicans will try to have it both ways, taking credit for voting the bill down and vicarious credit where possible for the fact that its sponsor was a fellow-Republican.

In retrospect, President Clinton sowed seeds of the tobacco bill's defeat when he sent Congress a budget that relied for balance on $65.5 billion in new tobacco tax revenues. McCain and his Senate Commerce Committee went the president one better, taking the framework of the tobacco settlement -- $368.5 billion from the tobacco industry over 25 years -- and inflating it to $516 billion over 25 years.

The GOP bill quickly lost the support of Big Tobacco by stripping away some of the civil immunity negotiated in the settlement with the states and prescribing stiffer penalties if teenage smoking quotas weren't met in future years. And if that weren't enough, the bill soon began to look like a Christmas tree, decorated with random goodies.

Oddly, it was raising the retail cigarette tax by $1.10 a pack over five years -- a modest and eminently defensible plan -- that proved fatal. To call the cigarette tax "a massive tax on low- income Americans..." as Sen. John Ashcroft, R-Mo., did, is nonsense. The cigarette tax is purely voluntary. No one has to pay it. Indeed, the ulterior purpose in this legislation was not to collect the tax, but to encourage people to avoid it.

While there is some evidence that higher cigarette prices are not very effective directly in deterring teenagers from smoking, price hikes bring some drop in cigarette sales. The less adults smoke, the less socially acceptable smoking will be. No matter what Congress does or doesn't do, getting rid of this scourge is vitally important.

Congress can and should raise the cigarette tax by $1.10 or more, with the limit being only that point at which the black market takes over.

Proceeds should be earmarked for anti-smoking education, cancer treatment and transitional assistance for tobacco farmers. Nothing in the legislation should require or encourage companies to keep making cigarettes for 25 years.

Without congressional approval the cigarette companies are fully exposed to smoker liability suits and state medical cost suits. The trend is not in the companies' favor. If the law is left to take its course, the industry can expect to see its shareholders leave in droves before much longer.

That's probably a better solution than anything Congress can devise.

**--

If only I had a Baptist wife and a tobacco suit

Lexington (KY) Herald Leader
June 21, 1998
By John Ed Pearce HERALD-LEADER COLUMNIST

Every time I think about it, it just makes me sick to realize that all these years I could probably have been rich and happily married. Events of the past week showed how I missed the boat.

If I could have lured a woman into the Southern Baptist church, I would have been serenely wed, with a poor submissive wife making my every wish her command. But I made a mistake, chose another church. And looking back, I have an idea that that woman was slipping Baptist pills into my coffee all along.

And that's not my only mistake. I smoked, and you can see in my pitifulphysique the ravages of Baptist pills and nicotine. But I forgot to sue.

I suppose you read about the family of the man in Wisconsin who sued Brown & Williamson and got a cool million. They said the company didn't tell him that cigarettes would kill you, so he went puffing away and died.

And that was just one company. While I had lungs good enough to inhale, I smoked the products of a dozen companies. I could have sued them all.

Cleaned up. They would have wished Sen. Mitch McConnell had put them out of business. I don't think that recognized firms take credit for corn silk, Indian cigars, rabbit tobacco, life-everlasting and other cheapies with which we boys began our journey into smoker's hell, but I am sure I could have gotten some sort of settlement from the makers of Bull Durham, Golden Grain and Stud -- tobacco for rolling your own, which we did.

And I must confess I enjoyed every deadly drag. That first cigarette after a meal around the campfire was sweeter than a maiden's kiss. I am content that I would never have made it through World War II had it not been for the smokes handed out for free or sold in ship's store for a nickel a pack.

Didn't I realize I was becoming an addict to a substance that could kill me? Of course. I may have been stupid, but I wasn't dumb. We didn't call them coffin nails for nothing. The coach warned us in funereal tones that smoking would cut our wind; and each fall I swore off, for a while, but returned to sin when my hero season was over.

Since I may yet sue and wallow in luxury, I hope the tobacco firms don't see this. But I can't recall ever hearing or seeing an ad saying their cigarettes were not addictive or would not hurt me. The ads -- this was before TV commercials -- said that the man on the billboard would walk a mile for a Camel. So would I. I knew the makers of Old Golds were stretching the truth when they boasted that if you smoked OGs, you would not find a cough in a carload. Maybe the plump girl on the sofa was impressed when told that when tempted to overindulge, she should reach for a Lucky instead of a sweet. I was happy to reach for both.

Kools were refreshing to your throat. So were Spuds. I forget what Chesterfields did or didn't do, but I recall that Pall Malls violated grammar by declaring that they traveled the smoke and made it mild.

Don't get me wrong. I deplore smoking like Baptists deplore uppity wives. Every time I see kids smoking, I want to weep and pray over them -- and then choke the smelly breath out of them. But, like sex, it's not until you get old that you realize it is not only fun but dangerous.

There is simply nothing funny about emphysema, bronchitis or ulcers, much less the horror of lung, throat or mouth cancer. If I could, I would find a way to make every kid in the country quit or never start.

But I doubt the tobacco bill just defeated by Congress would have done the job. A better bill to discourage teen smoking can and will be designed. We can only hope that it can provide a way to save our young people without ruining our farmers -- and that won't be easy.

**---

Tobacco plan would cost consumers, farmers plenty

THE KENTUCKY POST
JUNE 18, 1998
Guest column by Sen. Wendell Ford

We set the hound dogs loose on the McConnell-Lugar plan to kill the tobacco program and look what they sniffed out - a tax increase of at least $5.4 billion over five years.

That's right. Buried in their language added to tobacco legislation, are provisions to increase excise taxes on cigarettes by at least seven cents per pack, on top of the $1.10 per pack increase already included in the bill.

Although Arizona Republican Sen. John McCain's tobacco bill died in the Senate on Wednesday, some kind of tobacco legislation may resurface. And along with it, the McConnell-Lugar plan may be back.

The McConnell-Lugar proposal would immediately eliminate quotas established under the federal tobacco program or that farmers would still be allowed to market an unlimited amount of tobacco.

But because farmers could continue benefitting from price supports for three more years, we'll see production skyrocket, with tobacco stocks increasing by hundreds of millions of pounds.

What has remained a secret is who picks up the tab for all this stockpiled tobacco. Under the McConnell-Lugar plan, a new tax on the tobacco companies, in addition to the $1.10 already in the bill, will go to cover any "net losses." But you and I know - and so do Senators McConnell and Lugar - that any tax on tobacco companies will eventually find its way to the consumer.

We already have about 350 million pounds in the burley and flue-cured pools. That will increase with the 1998 crop. I believe Kentucky farmers will also send several hundred million pounds to the pool in each of the first three years under McConnell-Lugar. This assumes tobacco demand falls and tobacco production increases. When you consider the prospect of "fence row-to-fence row" production with price supports on unlimited volumes, that estimate is probably a conservative one.

The McConnell-Lugar plan calls on the companies to pay the additional tax to cover net losses, regardless of how much tobacco is involved. If more tobacco goes into the pool, or if it takes longer to get rid of it, it could cost tobacco companies several billion dollars more than what's already covered by the bill. Whatever costs the tobacco companies are forced to absorb will again eventually hit consumers.

I think it's crime enough to mislead tobacco farmers with promises of payments that Senators McConnell and Lugar simply can't deliver in just three years. Now we discover another tax on top of everything else. It's no surprise that Senator Lugar supports even more taxes on Kentucky tobacco. He's said that he wanted to kill the tobacco program and raise taxes to at least $1.50 per pack. But it's still hard for Kentucky farmers to figure out why Senator McConnell would team up with such an ardent anti-tobacco senator.

That's not the only dirt the dogs have dug up on the McConnell-Lugar plan. There's a second additional tax for tobacco related administrative costs. And any tobacco farmer who leases tobacco, but failed to do so for each of the 1995 through 1997 crop years, won't get a dime from the McConnell-Lugar plan.

Higher taxes, no more program, little hope of receiving payments over three years - someone needs to tell supporters of this proposal, "that dog just won't hunt here in Kentucky."

Sen. Wendell Ford, D-Ky., of Owensboro, has served in the U.S. Senate for 24 years.

**--

Billboards waste advertisers' dollars and clutter Kentucky's landscape

Lexington (KY) Herald Leader
June 21, 1998
By Dennis Altman

After 30 years of creating advertising for some of the world's largest corporations, I can say this without fear of informed contradiction: Outdoor advertising ought to be banned. It is unnecessary, unattractive, inefficient and, in any strategic main-thrust advertising campaign, usually indefensible.

It also just happens to be the one barrier that stands between the American people and our skies, meadows, hills, lakes and wildlife. When viewed with any degree of commercial understanding and appreciation for the world around us, the billboard simply can't be justified.

The truth is that outdoor advertising is more than an eyesore; it's a hoax.

It has no payback. For the vast majority of marketing missions, it hardly works at all. It doesn't have the power of persuasion that user-chosen media like a printed page or a TV demonstration can deliver.

It doesn't have the advantages of motion, music, the spoken word, multiple images or convincing copy.

This is not a revelation. All the big-time market planners know it. I can't think of a single advertising program in which outdoor has been deployed as the prime medium. Actually, unless an advertiser is promoting a location and uses snipes to say things like, "This Exit for McDonald's," outdoor signs don't merit a respectable place in any modern marketing plan.

Then, why have they persisted? Maybe it's because they've always been here.

If that's the case, billboards are nothing more than the scar tissue left after 200 years of economic growth. And it's time we took the laser to them.

Almost wherever you drive in the United States, outdoor advertising has been propped up to block the sight of sunsets, prairies, mountains, valleys, lakes, rivers and our greatest national treasure: trees. And when a number of billboards are seen at once, a sickening synergy occurs, which lends an unmistakable junkyard motif to what used to be pristine natural vistas.

Of course, for every rule there is the exception, and here it is: There are a few places on Earth that are actually beautified by outdoor advertising. They include New York's Times Square, London's Piccadilly Circus and Tokyo's Ginza. That's because the billboards in those places don't obscure the view -- they are the view!

But everywhere else, billboards are the tacky curtains that stand between people and the natural wonders of the world. And in case you've ever wondered why so many of them are devoted to alcohol and tobacco products, it's because outdoor is the final refuge of the damned.

Ironically, after booze, beer, snuff and smokes have been banned or shamed from more selective media, they end up where they can be seen by everybody.

And there's no redeeming value to it. Where newspapers, magazines and TV can say that the ads pay for the services they provide, the outdoor people have nothing to say. Billboards don't bring us news, music, comedy, drama or political debate. Their only function is to block the scenery with ads.

And don't overlook the human rights argument. Outdoor advertising thwarts one of the basic rights of a free society -- the right to reject it.

We can reject print and broadcast media at will. We're not required to watch or listen or read anything. But when we do, we can always turn the page or click the remote, and it's gone. However, there's no way we can dodge, avoid or cancel the outdoor board. It's in our face whether we like it or not. With outdoor, we just don't get a vote.

You could also say that billboards rob us of the use of a basic sense.

They stop us from seeing. If a person did that to you, you'd be mad. You would have every right to call him intrusive, invasive and aggressive.

If he did it often -- it's called stalking, isn't it? -- you could get a court order to cease and desist.

Many communities have done just that. For years, there has been a trend toward limiting the growth of outdoor advertising in selected spots. But that's only to protect real-estate values. The real question then becomes, what have we done to protect the open spaces? The greatest harm is being done to the purest lands -- the areas least touched by the hand of man.

If we don't keep our eyes on the outdoor lobby, they'll soon cover it all.

The Kentucky legislature in its most recent session discussed a proposal, put forth by the outdoor industry, that was to give it the right to cut down trees that block signs. We should be grateful the bill did not pass.

But now that we've begun, why don't we continue? Why don't we become the first state in in the nation to ban outdoor advertising altogether? As the home of so many of the alcohol and tobacco products whose ads have been disgracing the landscape, Kentucky would be setting an example that would be noted by every state legislature in the country.

Yes, we would hear squealing from the xenophobics. And we would surely have to write in some plan for phasing the signs out and a mechanism to compensate the site-owners via eminent domain. But in reality, we would have nothing to lose but the blight. We would still have the same markets for our bourbon and tobacco products. But in the bargain, we would be getting back the beauty that Daniel Boone saw.

And we would be a giant step closer to changing our image to a state where new ideas are born and away from one that clings to the past.

If we do it right, the ban could give topspin to Kentucky business. We could quickly take the spotlight in the national environmental movement and reap benefits in many ways. Here are a few:

We could be the first state to develop a new design code to cover the coming need for small, informational signage.

With cellular technology, we could pioneer in-beaming "services at next exit" information and other commercial notices directly to cars as they pass any point on the highway. This kind of narrowcasting could be received via screens or speakers and be linked to road directions, hazard warnings, weather information, traffic control and, yes, new forms of advertising that are non-invasive to the countryside.

By applied innovation we could power ourselves to a whole new industry in receivers, transmitters and standards for the new technology.

It could all begin in Frankfort. The ball could be set in motion with a few preliminary steps. We need the legislation and the incentives, but mostly we need the vision. With the right leadership to set the stage, market forces would take care of the rest.

The opportunities are here. The economic possibilities are enormous. If a legislator with the imagination and courage to promote change would step forward, we could build whole new sources of revenue in the soon-to-be, wide-open spaces of Kentucky.

*

Dennis Altman is an assistant professor of advertising at the University of Kentucky.

**--

A hint of heresy on Tobacco Road

Greensboro News & Record
June 21, 1998
By DUNCAN SHAW

This is a tirade about tobacco. It concerns the health of its consumers and the wealth of its promoters, but mainly the latter. If, in the 19th century, cotton was "king," then in the 20th it is tobacco that has worn the crown.

Volumes have been written and spoken about the harmful effects of tobacco, both smoked and chewed. The public health industry's relentless attack over the years has finally driven a stake through its heart (doubtless a diseased one), yet only after "King Tobacco" drove a sword through the hearts and lungs of millions of users.

But the king has not only killed untold numbers, he has also been "golden" for his promoters -- the growers and marketers -- who are nothing more than pushers.

The marketers -- the big tobacco companies -- have been lambasted, at least on the domestic front; overseas, they will rise like the Phoenix from their cigarette ashes. I don't have anything to add to the fire-storm of protest that has scorched the source of their cash. For the growers, on the other hand, I do have some fight left in me, and it concerns the mighty profits they've enjoyed from growing the "golden leaf."

That many tobacco farmers have grown rich (our governor and our vicepresident included) just gets my blood up. And to think of the decades of
federal subsidy -- countless millions of taxpayer dollars -- that have gone to these traffickers so they could produce a sordid substance.

How all of this happened absolutely boggles my naive mind.

I know a guy who says he has been growing tobacco for 40 years. But he's not going to be growing it anymore because, as he puts it, "it's a good time to get out." He said this to a priest I know, who had just finished leading a class discussion that included this guy, several others and me. The priest talked about a wealthy farmer who recently told him that he was getting out of the tobacco business and switching to cotton.

The priest thought this was admirable; he said this farmer finally felt the prick of his conscience. I thought, is it so admirable for a farmer who has made millions growing tobacco to now switch to a different crop?

As for the first guy, he feels "it's a good time to get out" because the lucrativeness of the Golden Leaf is finally on the decline.

And this same person had the gall to say that he never had a reason to believe tobacco was bad for you; to cry crocodile tears because "tobacco companies have been lying to us farmers all these years."

Heck, my Uncle John has told me that when he was a boy in the 1920s they used to refer to cigarettes as "coffin nails." They knew way back then about the harmful effects of tobacco, and common sense has known all along.

More than 80 percent of the world's tobacco-related deaths currently occur outside the United States, and the numbers are only going to get worse. The World Health Organization predicts that tobacco-related deaths will rise from 3.5 million to 10 million a year by 2020, 70 percent in the developing world.

That's why I think reports of the impending death of King Tobacco, or his Madison Avenue "everyman" incarnation, the Marlboro Man, have been greatly exaggerated.

Even if Congress passes legislation this year that bans the use of human images in tobacco advertising, the Marlboro Man will continue riding high in the Third World, Eastern Europe and the former Soviet Union -- unless, that is, Congress also takes the unprecedented step of extending tobacco control measures overseas.

Now in Congress is a proposal that would do the following:

1. Prohibit the use of tax funds to promote U.S. tobacco interests in foreign markets.

2. Impose tough anti-smuggling provisions. One-third of all internationally traded tobacco winds up on the black market, which thrives because of import restrictions and tax differences between countries.

This legislation, if enacted, would go a long way toward insuring that the Marlboro Man would truly ride off into the sunset, and not to Moscow, Nairobi and Beijing.

Duncan Shaw lives in Fuquay-Varina.

Top Have an opinion?

1.Post it on Inter@ct, our bulletin board 2.E-mail a letter to the editor. Please specify that it is intended for publication, and you must include your name, home street address and daytime phone number. Letters must not exceed 250 words.

**---

Shame on Capitol Hill: Tobacco Bill Fizzled Because Industry Dollars Buried It

Salt Lake Tribune
June 21, 1998
By Molly Ivins CREATORS SYNDICATE

AUSTIN -- As we watched the tobacco bill die an unnatural death Wednesday, it left only sour satisfaction to those of us who believe that money runs American politics. We now have the clearest, most definitive proof any long-suffering campaign-finance reformer could ever hope for that money counts more than the public interest, more than children's health and more than people's lives in a political system so corrupted by money that it stinks to the highest heavens.

Our politicians can twist this truth, they can distort it, they can spin it 'til they're blue in the face, but the truth still sits there bigger than Godzilla. The tobacco industry has been spending between $4 million and $5 million a week for eight weeks now on radio and television advertising to defeat this bill -- a total of at least $40 million just in the last two months, according to Ira Teinowitz of Advertising Age magazine.

And that's not counting the money that big tobacco has sunk into the political system. Between 1987 and 1997, Philip Morris Co. contributed $8 million to politicians, RJR Nabisco contributed $7 million, and so on down through the big tobacco companies, all of them major, major political contributors.

Three out of four current members of Congress -- 319 representatives and 76 senators, according to Common Cause -- have accepted tobacco-industry PAC money during the past 11 years. A total of $30 million. The soft money given by tobacco directly to the political parties has exploded: more than $3 million in 1997 alone. Philip Morris has been the Republican Party's top soft-money donor for three years running, giving more than $1 million to the party each year. And you wonder why Senate Republican Leader Trent Lott doesn't like this bill?

How long, O Lord, how long? There are studies going back to the 1940s about the link between tobacco and cancer. The first surgeon general's report warning that smoking causes cancer appeared in 1964. Every year since then, the evidence has mounted and mounted and mounted.

Thirty-four years, 50,000 studies and millions of smoking-related deaths later, we now know that the tobacco industry fought to suppress the information and paid for phony studies trying to prove it wasn't true. We know that tobacco executives lied to Congress, they savagely went after whistle-blowers from their ranks, and they deliberately made their product more addictive, knowing that it kills. To be blunt about it, the tobacco industry has murdered millions of people. Morally, it is just as guilty as Adolf Hitler.

It was different when we thought they didn't really know or weren't sure or were just ignoring the evidence. But now, we know that they knew -- that they have known for decades -- that they were killing people.

And they kept on doing it for profit.

Upton Sinclair wrote, "It is difficult to get a man to understand something when his salary depends on his not understanding it." But this is not a question of "not understanding." Big tobacco understands, all right, and has engaged in a massive cover-up.

Tobacco and its bought tools in Congress have twisted this bill in every fashion imaginable, claiming that it will result in an uncontrollable black market for cigarettes, that it will help wealthy trial lawyers, that it's a "big government" solution and -- my personal favorite -- that it is a regressive tax on the poor.

That last bit of blatant hypocrisy, coming from legislators who have never cast a vote to help poor people in their lives, caused Ted Kennedy to go into one of the finest rants heard in the Senate for years:

"I listened to those crocodile tears of our colleagues on the other side of the aisle about how distressed they are about what is happening to working families. I give them reassurance, they will have a nice chance to vote for an increase in the minimum wage later on, and we will see how distressed they are about all those working families that they are agonizing about and so distressed because this is a regressive tax.

"The reason it is a regressive tax is because it is the tobacco industry that has targeted the needy and the poor and the working families of this country. It is the tobacco industry that is to blame.

It isn't these families.

"How elite and arrogant it is for those on the other side of the aisle to cry these crocodile tears for working families and their children who are going to get cancer. Those working families care about their children. They care about them no less than those who come from a different socioeconomic background. How arrogant can you be? How insulting can you be to make that argument on the floor of the U.S.

Senate?"

Of course, the bill wasn't perfect. The money should have gone into health care, especially children's health care, as Kennedy and Sen.

Orrin Hatch originally proposed, but even this imperfect bill died because tobacco paid the political piper and called the tune.

Molly Ivins is a columnist for the Fort Worth Star-Telegram.

**---

The Joke's on Him

The New York Times
June 21, 1998
LIBERTIES / By MAUREEN DOWD

WASHINGTON -- Have you heard the one about John McCain? The famously noble politician got up at a Republican fund-raiser last week and made a now-infamously ignoble joke.

He is so revered by the press that his disgusting jape was largely nudged under the rug. "It's like a return to the Kennedy era," said one magazine editor. "He makes a gaffe, and we look the other way."

The story of Washington is the story of why smart people do dumb things.

And why pols can swing fitfully between doing the right thing and doing the wrong thing.

Mr. McCain made it through five years of torture in North Vietnam. The Arizona Senator has also been brave in Washington, inciting the wrath of his party and powerful lobbies with quixotic battles for the best causes: campaign finance reform and making Big Tobacco kick its habit of marketing to kids.

In a capital where politicians follow more than lead, Senator McCain has been an edifying exception. Even though his independent streak and quick temper have made him Republican enemies, his idealism and easy way with the press got him on the short list for 2000.

So how does such a lofty figure sink to the basement?

The joke that he thought was funny was about Chelsea Clinton, Hillary Rodham Clinton and Janet Reno.

"This is the bad boy," he said in a phone interview. "It was stupid and cruel and insensitive. I've apologized. I can't take it back. I could give you a whole bunch of excuses, but there are no excuses. I was wrong, but do you want me crucified? How many days does it need to be a story?"

He said the Senator who spoke just before he did to the Republican fat cats made a tasteless joke about Viagra. "So I got up and said, 'You think that was a tasteless joke? Listen to this one.' The minute it came out of my mouth, I thought, 'Oh no, this is a terrible mistake.'"

But, he added, defensively, "I will always maintain a sense of humor.

Life is too short not to."

Life is also too short for making the President's daughter the target of a junky, misogynistic crack masquerading as humor.

Mr. McCain said he wrote a letter of abject apology to the President.

That's good politics. But where's the letter to Janet Reno? He says he doesn't think that such a letter is necessary.

Because the President and Mr. McCain have been working together on the campaign finance and tobacco issues, the White House response was muted.

"It takes a severe lapse in synapses to make a joke about personal things like that," says Clinton spokesman Michael McCurry, who has occasionally lost control of his own synapses. "Most prominent people at one time or another have a close encounter with the distasteful."

It is downright weird that Senator McCain would be the one to break the taboo against cheap shots at the lovely and self-possessed Chelsea. He said he thought he'd heard the joke on Jay Leno. But Mr. Leno, not one to shrink from the tasteless, protests: "I've never, ever done a Chelsea joke nor would I. Political humor is like the Mafia -- everything's open game as long as you don't go after the families."

Don Imus was befuddled by the blunder of one of his favorite guests.

"It's horrible, yecchhh! This guy is a genuine American hero. I don't know why they do it. Some idiotic effort to be one of the guys. Like me at the correspondents' dinner."

I'm flummoxed. After so many politicians have humiliated themselves or ruined their careers with stupid ethnic and sex jokes, from Earl Butz's "joke" about blacks to Bob Kerrey's "joke" about lesbians to Al D'Amato's "joke" about Judge Ito -- why do they keep doing it?

"They can't stop," says Alan Dundes, a folklorist and expert in the anthropology of humor at Berkeley. "It's part of the male arsenal of weapons to make your way in the world. If McCain is worried about being too liberal for his colleagues, this is one way of indicating that he's one of the Republican boys -- attacking the Democratic President by attacking his women. Since ancient times, you get at your male opponent by violating his women. If the women's honor is lost, the man's honor is lost. McCain was in the military. He knows you conquer enemies by feminizing the men and putting down the women."

Mr. McCain will survive. But he may have learned a lesson about the politics of virtue. The holier they come, the harder they fall.

**--

Let 'Em Eat Smoke

Washington Post
June 21, 1998
By Mary McGrory Sunday, June 21, 1998; Page C01

Children are all very well in their way, but Republicans don't see any reason to make too much of them. Do they make campaign contributions? No, they do not. Do they vote? Not until they are 18.

The question came up during the debate that killed the tobacco settlement: Should we try to save our young people from tobacco addiction and its attendant ills--emphysema, lung cancer, that sort of thing? It would be very nice, but would we want to do it if the attempt were made in a bill that is, as one Republican said, "untidy"? Of course not, said the Republicans.

A total of 14 Republicans voted for the tobacco legislation sponsored by Sen. John McCain (R-Ariz.). It was based on the brilliant initiative of a group of governors, who were tired of draining state treasuries to pay for the protracted and almost always fatal diseases that come from smoking. The governors set their attorneys general to work drafting an agreement with the tobacco companies. A year ago they came up with one that the tobacco industry agreed to.

Now that the Senate has dropped the ball, the states will go back to court to sue big tobacco, win big cases and collect money which they can use for various purposes such as health insurance for their children and campaigns to prevent teen smoking. Usually politicians--particularly members of a party that is vociferously pro-family--pretend to care about the coming generation. But this is an election year, and more serious questions like campaign contributions are in consideration, so our children will have to fend for themselves and develop character and self-reliance and learn to "just say no" to the vicious weed. Perhaps they will be lucky enough to live in states with sensible people in charge who will care about kids not lighting up.

Naturally, some teens won't mind if no one nags them about nicotine.

Maybe Republicans think the anti-smoking funds would have been wasted anyway, since it is well known that anything forbidden to teenagers instantly becomes the one thing they cannot live without.
So, the Republicans asked, why try? If teens take up tobacco, they might not die of it. Not all do, although the figures are discouraging. Of the 3,000 adolescents a day who start smoking, 1,000 are expected to die of the habit. But the Republicans thought the price of prevention was too high.

The Republican leader in the Senate, Trent Lott, is a former University of Mississippi cheerleader and thus given to looking on the bright side.

He tries not to be emotional about the dangers facing our children.

Others horrified by the latest peril--children being slaughtered in the schoolyard--are frantically looking for ways to stop the violence. Some, who are excessively attached to their children and might want them to live as long as possible, talk wildly about banning guns. But Lott has kept his head. He told the National Rifle Association his solution: more guns, "a well armed public."

On tobacco, the Republicans initially thought they would have to do something about this public health problem. The blueprint from the governors was widely admired for being rational and fair. It was even good enough for the tobacco companies, but not for the Republican Senate. Sen. Phil Gramm (R-Tex.), who could see a tax increase in the Ten Commandments, warned that additions would have to be made if the tobacco bill were to have a chance. He contributed a ban on the so-called marriage tax and others kicked in weighty irrelevancies.

In their quest for the exit they got a pricey assist from the tobacco industry, which had long since yanked its support for the legislation.

Big Tobacco launched a huge ad campaign, aimed at promoting the Gramm alibi that the bill was a tax monster, not a public health measure. Sen.

John F. Kerry (D-Mass.) tried to explain during the debate that the only tax increase would be to smokers. They would pay an additional $1.10 a pack to feed their habit.

The price of the ad campaign was impressive: $40 million. The content was bizarre, the tone crushingly condescending. The subliminal message was that working stiffs, who don't know any better, insist on smoking.

Why deprive them of one of their few comforts? Republicans understand.

Leader Lott seems nervous about his victory. Is he haunted by a bumper sticker that says his party is the one that hates kids? On Thursday night, the attorney general of Washington State, Christine O. Gregoire, got a call from one of the state's senators: Lott was hoping to assemble a bipartisan panel of experts "to work out something on teen smoking."

**--

In Praise Of Fathers

Chicago Tribune
June 21, 1998
Joan Beck

Beatitudes for fathers, 1998:

<EXCERPT>

Blessed are the fathers who do not abuse tobacco or alcohol or drugs, for they will strengthen their children against the hazards they will surely face as they grow up.

**--

Letter: A $75 cap for lawyers

Raleigh News & Observer
June 21, 1998

Regarding the June 17 article "Tobacco deal law fees limited":

U.S. Sen. Lauch Faircloth felt $4,000 an hour for a lawyer's fee wasoutrageous, and I am sorry to disagree. It's just plain criminal; $250 an
hour is outrageous.

Clearly, lawyers need legal regulation of fees and responsibilities, far more than do dairy products, insurance and telephones.

Remember just after Hurricane Fran came, and the loggers were "price-gouging." I guess it's OK for a lawyer to gouge us, but a lowly laborer, tsk, tsk.

Anyone up for voting on a legal proposition to regulate lawyers, including a fee cap of $75 an hour?

JOHN DENMAN
Raleigh

**--

Selling out to Big Tobacco

Minneapolis-St. Paul Star Tribune
Published Sunday, June 21, 1998
Sunday letters from readers

I cannot draw political cartoons, but maybe I can create an image with words: Visualize tobacco executives standing behind the majority leader of the Senate and the speaker of the House. As the execs stuff the back pockets of Trent Lott and Newt Gingrich full of money, Lott and Gingrich are handing out cigarettes to a group of kids. I think you get the picture.

-- Charles Wilt, Minneapolis.

**--

Pork in the Pocket

Arizona Daily Star
June 21, 1998

The tobacco bill didn't fail because it was perceived as pork. It didn't fail because of the tax on cigarettes. It failed because of the senators who depend on big tobacco for big campaign contributions.

Out of the 42 senators who prevented a floor vote on the tobacco bill, 38 of them also blocked campaign finance reform. Tobacco companies are some of the biggest contributors who would be stopped by campaign finance reform. If "pork" was really the issue, then why such a huge coincidence? Maybe the issue is "pork in the pockets"of the senators who backed big tobacco.

Golda Bernstein

**--

Rising tax on cigs

Blackburn Citizen/Bolton Evening News

June 21, 1998

SIR: It is worrying that Manchester is identified as one of five "cigarette smuggling blackspots" most affected by cross Channel tobacco bootlegging in a report by HM Customs and the police.

This situation will only deteriorate as long as the Government insists on continually raising the amount of tax on cigarettes - a measure that is doing little to stop people smoking, but which has created and is sustaining a healthy criminal market for cheaper, smuggled cigarettes.

And there is evidence that the problem is getting bigger. This month alone there have been two massive seizures of smuggled cigarettes - one of over 4m and the other of 8.5m.

Unless this Government sits up and takes serious notice of the real effects its high taxation policy is having, then smokers will continue to buy illegal brands because they are no longer prepared to pay, or able to afford, the retail prices.

Similarly, as smuggled cigarettes continue to flood the streets of Manchester, it will become increasingly easy for children to buy them.

And it will squeeze out the retailer who is trying to earn an honest living.

Vernon Winterbottom
Co-ordinator
Fair Cigarette Tax
Campaign^?^?^? [sic]
Mount Drive, Urmston, Greater Manchester

**---

Tax and spend

Sacramento Bee
Published June 20, 1998
Letters to the editor

Renault's June 6 cartoon about pending tobacco legislation was so far off-base it is unbelievable. The Republicans want to stop children from smoking as much as everyone else. The liberal Democrats and President Clinton don't care about the children. All they want is that tax money so they can spend it like they were doing for 40 years prior to 1994.

What about the lawyers who are going to make a fortune out of this bill if it ever passes? They can charge whatever they want because Congress is reluctant to put a limit on their charges. Let's see a cartoon about them.

--John Daniels, Woodland

Re "Senate balks at capping cigarette firm's liability," May 22: The caps on legal awards in the McCain bill are completely unjustifiable in the context of Minnesota's historic $6.1 billion settlement with the tobacco industry. As this case proves, one state lawsuit is approaching the annual limit on judgments of $8 billion as now set in McCain's bill.

That is not acceptable.

Hand in hand with legal protection is the issue of pre-emption of state and local law. National tobacco control legislation is desirous to the extent that it does not reverse successes in fighting the tobacco industry that local communities throughout California and the state have made.

The Lautenberg-Smith "no pre-emption" amendment would allow local governments to pass stronger smoke-free air provisions, like California's Smoke-Free Workplace Act, than the weak ones in the McCain bill. We urge Sens. Dianne Feinstein and Barbara Boxer to support this amendment.

National legislation that is free from legal protections for the tobacco industry does not pre-empt state or local law, grants the Food and Drug Administration complete regulatory control and increases the cigarette excise tax substantially is sound public policy. But no federal legislation is worth giving the tobacco industry legal protection.

--Margaret Mette, R.N., Sacramento President, Board of Directors Sacramento Office American Heart Assn.

Lost tobacco revenue

The proposed $1.50 per pack tax on cigarettes would cause a loss to Sacramento and all other cities of large amounts of cash flow to business.

I smoke two packs of cigarettes a day. The 730 packs a year times $1.50 tax equals $1,100 per year tax. If this area has 1 million people and 25 percent smoke, we have 250,000 smokers times $1,100 a year tax. That's $275 million a year in local area lost cash flow.

I will have to pay this tax rather than spend the money on other things.

This will affect all areas of our local population as this money will go to Washington, D.C., and will disappear into some black hole.

--Richard Pilant, Sacramento

The biggest hoax and largest tax hike (one-half trillion dollars) in the history of humankind is being orchestrated via a tobacco tax by our weak-kneed politicians and greedy trial lawyers.

Don't we already have strong laws about selling tobacco products to minors? This overkill legislation under the banner of "save the children" defies common sense. My conclusion is that it is all about one thing: money.

And who gets the money? More than $135 billion will line the pockets of our altruistic trial lawyers. And our politicians are falling all over themselves dispensing the rest of the money to their favorite programs and 124,000 tobacco farmers.

And who pays? Not the evil tobacco companies, but the poor, dumb 35 million adult tobacco users.

For those who think that's OK, just wait until the lawyers and politicians want more greed money and pick on Joe Sixpack or some other equally vulnerable product under the wonderful slick phrase, "Save the Children."

--R. Monsen, Fair Oaks

Smoking verdict

Re "Cigarette industry dealt historic defeat in court," June 11: A million-dollar verdict against Brown & Williamson in favor of the surviving heirs, after 50 years of smoking Lucky Strikes killed him.

This is a good example of why I didn't like or accept some personal injury cases as an attorney.

The million bucks that some tobacco company has to pay sure wouldn't bother me if it went to treatment or prevention of smoking. It wouldn't even bother me if it helped former tobacco workers while looking for new employment. But to the loving, concerned family? Give me a break.

--Eugene Rippen, Auburn

My mother smoked Pall Mall no filters for more than 30 years, until her death 12 years ago at age 56 of cancer, which started in her lungs. As a child I found her in stores by listening for her smoker's cough. Smoking for her was more than a habit, it was a lifestyle. She was a poor Eastern European who developed her attitude toward smoking from American cinema and tobacco companies' glamorous advertising. She didn't want to quit because to her it would have meant giving up the affluence and societal acceptance she associated with it.

The tobacco companies are responsible for her death because for decades, when smoking was the in thing to do, they held back information about its dangers, and promoted it as healthy and popular. They successfully duped a whole generation of young people, who are now dying.

--Julia E. Bauer, Sacramento

ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: newsserver2@enn.com (newsserver2@enn.com [UNKNOWN])

CREATION DATE/TIME:21-OCT-1998 12:03:02.00

SUBJECT: ENN Newswire - Wednesday, October 21, 1998

TO: undisclosed-recipients: ; (undisclosed-recipients: ; [UNKNOWN])
READ:UNKNOWN

TEXT:
- enewswire.htm=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

```
<!-- ******************************************************* -->
<!-- *** IF YOU ARE READING THIS, YOU DO NOT HAVE AN   *** -->
<!-- *** AN HTML COMPATIBLE MAIL READER.              *** -->
<!-- *** Netscape Navigator 3.0 and above, Microsoft   *** -->
<!-- *** Outlook Express, Web based Email such as      *** -->
<!-- *** HotMail and RocketMail and the latest verion  *** -->
<!-- *** of Eudora are all HTML compatible mail clients *** -->
<!-- *** To unsubscribe to ENN Newswire, go to         *** -->
<!-- *** http://www.enn.com/subscriptions/enewswire-registration.asp, *** -->
<!-- *** enter your email address and click the Unsubscribe button. *** -->
<!-- ******************************************************* -->
<html><head><Title>ENN Newswire for Wednesday, October 21, 1998
</title></head>
<BODY BGCOLOR="#ffffff">
<TABLE BGCOLOR="#ffffff" width=540 cellspacing=0 cellpadding=10 border=2>
<TR>
 <TD>
 <TABLE width="100%"><TR><TD width="50%" valign=top>
     <FONT SIZE=6 FACE="Arial,Helvetica,Verdana" COLOR="#FF0000"><B>ENN</B></FONT
><BR>
     <FONT SIZE=5 FACE="Arial,Helvetica,Verdana" COLOR="#000000"><B>NEWSWIRE</B></F
ONT>
 </TD>
 <TD>
     <TABLE cellpadding=2 bgcolor="#ffebca" WIDTH="100%">
     <TR>
     <TD align=center>
     <FONT SIZE=2 FACE="Arial,Helvetica,Verdana"><b>Year of the Ocean!</b><BR>
     Visit <A HREF="http://www.yoto.com/" TARGET=_top>http://www.yoto.com/</A><BR>

     Click to explore!</FONT>
     </TD>
     </TR>
     </TABLE>
</TD>
</TR>
```

```
</TABLE>
 <BR><BR><FONT SIZE=4 FACE="Arial,Helvetica,Verdana" COLOR="#000000"><b>E-mail
 Edition for Wednesday, October 21, 1998</B></FONT>
 <BR><BR>Produced by the <A HREF="http://www.enn.com/">Environmental News Netw
ork</A><BR><BR>
  <HR><BR>
<!-- START OF STORY -->
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>Coral reefs: Are we do
ing too little too late?</B></FONT>
<P>The world's coral reefs are taking a beating, scientists
and government officials around the world know it, and yet
the looming question may soon become are we doing too little
too late. According to scientific testimony at a high-level
meeting of government officials this week, up to two-thirds
of the world's global reefs are currently in decline or threatened.</P>


<P>
<A HREF="http://www.enn.com/news/enn-stories/1998/10/102198/coralreef.asp">Full
 Story</A>
</P><P><HR WIDTH="70%"></P>
<!-- END OF STORY -->
<!-- START OF STORY -->
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>Reduced foraging hinde
rs conservation</B></FONT>
<P>These days children are not allowed to stray too far from
home and are discouraged from interacting with natural things.
These trends may be producing a dissociation between children
and their local natural environment, with harmful consequences
for conservation, said a Canadian researcher. Dr. Ray Chipeniuk,
a research associate of Trent University in Ontario, Canada,
who has published a paper on the subject in the journal Environmental
Conservation, said that foraging by young children is an
important means by which environmental awareness is acquired
in most societies.</P>


<P>
<A HREF="http://www.enn.com/news/enn-stories/1998/10/102198/forage.asp">Full St
ory</A>
</P><P><HR WIDTH="70%"></P>
<!-- END OF STORY -->
<!-- START OF STORY -->
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>Toxic spill equals min
e's annual zinc output</B></FONT>
<P>The collapse last spring of a retaining wall holding tailings
from a Spanish zinc mine has dumped an amount of zinc into
rivers nearly equal to the mine's total annual output, researchers
recently reported in EOS, a weekly journal of the American
Geophysical Union. The accident, which has been called Europe's
worst environmental disaster, occurred April 25 at the Los
Frailes zinc mine in Aznalcollar, about 50 miles south of
Seville. Some 5 million cubic meters of acidic sludge were
released into the Guadiamar River, which one week later had
```

```html
an acidity approaching that of vinegar.</P>


<P>
<A HREF="http://www.enn.com/news/enn-stories/1998/10/102198/zinc.asp">Full Stor
y</A>
</P><P><HR WIDTH="70%"></P>
<!-- END OF STORY -->
<!-- START OF STORY -->
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>Caribou decline blamed
 on climate change</B></FONT>
<P>Climate change in Canada's western Arctic islands may be
the cause of a dramatic population decline of the Peary caribou,
according to Greenpeace International. Canadian scientist
Dr. Ann Gunn has reported a 95 percent decline in the Peary
caribou population, a result, she says, of rising temperatures
and precipitation in the area.</P>


<P>
<A HREF="http://www.enn.com/news/enn-stories/1998/10/102198/caribou.asp">Full S
tory</A>
</P><P><HR WIDTH="70%"></P>
<!-- END OF STORY -->
<!-- START OF STORY -->
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>News Bytes</B></FONT>

<P>A quick look at more of today's environmental news.</P>


<P>
<A HREF="http://www.enn.com/news/enn-stories/1998/10/102198/bytes21.asp">Full S
tory</A>
</P>

<P><HR WIDTH="70%"></P>
<!-- END OF STORY -->
<!-- START OF STORY -->
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>Multimedia: Unique bro
wn bears</B></FONT>
<P>Thousands of years ago, scientists say brown bears migrated from Asia across
 a land bridge to what is now Alaska. Scientists studying the genes of brown be
ars in Southeast Alaska have discovered that the islands bears are a unique spe
cies with an unlikely relative. <a href="http://www.enn.com/multimedia">Listen
in</a>.</P>
<P><HR WIDTH="70%"></P>
<!-- END OF STORY -->
<!-- START OF STORY -->
<P><!-- START OF SUBSCRIBER DAILY HEADLINES --> <TABLE WIDTH="100%" BGCOLOR="#f
febca" CELLPADDING=5><TR BGCOLOR="#ffebca"><TD ALIGN=LEFT VALIGN=TOP>
<FONT SIZE="4" FACE="Arial,Helvetica" COLOR="#000000"><B>
<a href="http://www.enn.com/news/">ENN Daily News - Subscriber
Package</A></B></FONT></TD><TD ALIGN=RIGHT VALIGN=TOP> <FONT SIZE="3" FACE="Ari
al,Helvetica" COLOR="#FF0000"><B>30-day
```

Free Trial</B> </FONT>
<a href="http://www.enn.com/aboutenn/signup.asp"><FON
T SIZE=1>Click
here</FONT></A></TD></TR><TR BGCOLOR="#ffebca"><TD colspan=2><P>
 <LI><B>Senate passes $520 billion budget bill</B></BR>
<FONT SIZE="-1">The Senate passed a massive $520 billion
budget package today, the final legislative day of the 105th
Congress, as lawmakers turned to the voters to assess a year
marked by a breakthrough budget surplus and unrelenting partisan
rancor.</FONT> <LI><B>$5.9 billion in farm aid approved by
House</B></BR> <FONT SIZE="-1">The U.S. House on Tuesday approved
$5.9 billion in emergency aid for farmers as part of a $500
billion package to fund federal programs in fiscal 1999.</FONT>
<LI><B>At least 700 dead in Nigerian pipeline fire</B></BR>
<FONT SIZE="-1">The death toll from the pipeline inferno in
southern Nigeria rose to at least 700 on Tuesday as more people
died from their injuries, hospital sources said.</FONT> <LI><B>1st
German N-plant likely to close in 2000</B></BR> <FONT SIZE="-1">Chancellor-elec
t
Gerhard Schroeder's future government is likely to start phasing
out Germany's nuclear power stations in 2000, a senior official
from his Social Democrats (SPD) was quoted as saying today.</FONT>
<LI><B>Environmental groups condemn Vail fires</B></BR> <FONT SIZE="-1">Environ
mentalists
locked in a battle with Vail Associates to stop a controversial
ski expansion harshly denounced the suspected arson fires
that destroyed a mountaintop restaurant and damaged lifts
at the Colorado resort.</FONT> <LI><B>Argentina criticized
over wind energy law</B></BR> <FONT SIZE="-1">Environmental
group Greenpeace Tuesday accused Argentine President Carlos
Menem of hypocrisy for throwing out a law that would have
encouraged the development of wind energy.</FONT> <LI><B>Tennessee
company recycles soiled soil</B></BR> <FONT SIZE="-1">Take
30 tons of gasoline-soaked soil. Sift in giant rotating cylinder.
Bake at 750 degrees. Cool and package. Spread on softball
field. Play ball!</FONT> <LI><B>Mexico protests planned waste
dump</B></BR> <FONT SIZE="-1">The Mexican government -- under
heavy political pressure at home -- announced it has sent
the United States a 15th diplomatic protest about a planned
nuclear waste dump near the border.</FONT> <LI><B>$2.5 million
sought to fight Russia forest fires</B></BR> <FONT SIZE="-1">The
United Nations appealed on Tuesday for $2.5 million to fight
forest fires raging in Russia, which U.N. officials said threatened
two oil and gas pipelines leading from the island of Sakhalin
to the mainland.</FONT> <LI><B>Anti-whaling ship won't use
cannon</B></BR> <FONT SIZE="-1">Anti-whaling activists agreed
to stop firing a shipboard signal cannon near this Makah Indian
reservation town after the tribe complained that an ill-timed
blast was an intimidation attempt.</FONT> <LI><B>Newsprint
shipment spurs protest</B></BR> <FONT SIZE="-1">Four members
of the environmental group Greenpeace chained themselves to
cranes on a 570-foot Canadian cargo ship as it entered this
port city near Los Angeles Tuesday in a protest aimed at saving
a British Columbia rain forest.</FONT> <LI><B>Texas flooding
worsens</B></BR> <FONT SIZE="-1">Finding Water Street and

```
West River Street isn't easy in the flood-ravaged community
of Victoria southeast of San Antonio.</FONT> <LI><B>Typhoon
strands thousands in Philippines</B></BR> <FONT SIZE="-1">Typhoon
Babs marched toward the central Philippines today, stranding
thousands of people and prompting many to move out of low-lying
areas along its path.</FONT> </ul> </P> </TD></TR></TABLE> <P><HR></P>
<!-- END OF STORY --></P>


<BR><BR>
<CENTER>
  <FONT SIZE=3 FACE="Arial,Helvetica,Verdana" COLOR="#000000">
  For all the news, visit our website at <a href="http://www.enn.com">http://w
ww.enn.com</a>
  </FONT>
  <P>
<FONT SIZE=2 FACE="Arial,Helvetica,Verdana" COLOR="#000000">
<a href="http://www.enn.com/news">News</a> | <a href="http://www.enn.com/featur
es/">Features</a> | <a href="http://www.enn.com/multimedia">Multimedia</a> | <a
 href="http://www.enn.com/specialreports/">Special Reports</a> | <a href="http:
//www.enn.com/aboutenn/">About ENN</a> | <a href="http://www.enn.com/community/
forum">Forum</a> | <a href="http://www.enn.com/">Home</a>
</FONT>
</CENTER>
<BR>
<FONT SIZE=1 FACE="Arial,Helvetica,Verdana">
ENN is a Registered Trademark of the Environmental News Network, Inc.<BR>
Copyright © 1998 Environmental News Network, Inc.</FONT><BR>
 <TR>
  <TD>
     Thank you for your interest in ENN Newswire, a <B><FONT SIZE="4" COLOR="#FF000
0">FREE</FONT></B> service of the Environmental News Network. Please pass this
package along to
     others who may find it of interest.
   <form action="http://www.enn.com/subscriptions/enewswire-add-remove-subscri
ber.asp" METHOD="POST">
     <P>Sign up here for ENN Newswire, our daily environmental news package.</P>
   <INPUT TYPE="TEXT" NAME="EmailAddress" value="" size=30>
   <INPUT TYPE="SUBMIT" NAME="Start" VALUE="Start sending">
     <INPUT TYPE="SUBMIT" NAME="Stop" VALUE="Stop sending">
     </FORM>
 <P>Click <A HREF="http://www.enn.com/subscriptions/enewswire-registration.asp
">here</A> to go to the ENN Newswire registration page.</P>
     <P>If you experience any problems, send an E-mail to <A HREF="mailto:newswire@
enn.com">newswire@enn.com.</a>
     </TD>
 </TR>
</TABLE>
</BODY>
</HTML>
```

================== END ATTACHMENT 1 ==================

ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: Chad Carpenter <chadc@iisd.org> (Chad Carpenter <chadc@iisd.org> [UNKNOWN])

CREATION DATE/TIME:23-NOV-1998 20:53:00.00

SUBJECT: Climate News - 23 November 1998

TO: "'climate-l@mbnet.mb.ca'" <climate-l@MBnet.MB.CA> ("'climate-l@mbnet.mb.ca'" <climate-l@MBnet.MB.CA> [UNKNOWN])
READ:UNKNOWN

TEXT:
1) GLOBAL WARMING DEAL REACHED (BBC News)
2) CLIMATE TALKS EXTENDED IN PURSUIT OF AN ACCORD (Washington Post)
3) BECALMED WHILE HURRICANES RAGE (Financial Times)
4) AGREEMENT FORGED ON GLOBAL WARMING (Economic Times-India)
5) DEGREES OF PROGRESS AT ENVIRONMENTAL SUMMIT (Los Angeles Times)
6) KEY QUESTIONS REMAIN AT GLOBAL-WARMING TALKS (New York Times)
>
7) UK REJECTS ATTACK ON CLIMATE DEAL (BBC News)
8) MENEM: "LET US PLEDGE CUTS TOO" (Buenos Aires Herald)
9) CLOUDS OVER CLIMATE ACCORD (The Press - New Zealand)
10) U.S. SIGNS PACT TO REDUCE GASES TIED TO WARMING (New York Times)
11) GREEN FUTURES (New Scientist)
12) KYOTO CLIMATE TREATY IS "DEAD," U.S. SENATOR SAYS (Reuters)
>
13) TOKYO PLANS ENERGY PROJECTS FOR CHINA (Nihon Keizai Shimbun)
14) CO2 PERMITS SEEN MAKING NEW UK NUKE PLANTS VIABLE (Reuters)
15) EXPERTS URGE ALL-OUT PUSH FOR NON-FOSSIL ENERGY (ENN)
16) GERMANY WANTS AVIATION, SHIPPING GREENHOUSE CURBS (Reuters)
17) MORE ZIMBABWEANS OPT FOR SOLAR POWER (Pan African News Agency)
18) BRAZIL TO RELY MORE ON NUCLEAR POWER (Reuters)
>
19) ARCTIC ICE IS NOW A THIRD THINNER THAN IN 1976 (Times of London)
20) SKY SPY SPOTS CLIMATE CRISES (BBC News)
21) $33 BILLION DAMAGE BLAMED ON EL NINO (Environment News Service)
22) SMOGGY HAZE CLOUDS CLIMATE DEBATE (The Age-Australia)
23) ORGANIC FARMING MAY CUT CO2 (ABC News)
24) LOW ALTITUDE BATTERY-POWERED FLIGHT TESTS ARE UNDERWAY (BBC News)
25) POLLUTION RESEARCH CLEARS HURDLE IN CHINA (Reuters)
>
ON THE WEB
26) CLIMATE MEETING ADOPTS BUENOS AIRES PLAN OF ACTION (FCCC Release)
27) EARLY RELEASE OF ENERGY OUTLOOK 1999 (Energy Information Admin.)
28) POLICY.COM - ISSUE OF THE WEEK
29) STUDY ON THE REAL PRICE OF GAS(Centre for Technology Assessment)
30) CLIMATE CALAMITY: THE CO2 FACTOR (Asia Week)
>
COMMENTARY AND ANALYSIS
31) KYOTO SHELL GAME (Washington Post)
32) TOO MUCH HOT AIR (Jerusalem Post)
33) FINDING A THIRD WAY (Newsweek)

34) YOUNG DON'T DESERVE HOTHOUSE (Toronto Star)
35) A WARMING TREND (Washington Post)
>
36) BUSINESS GRAPPLES WITH POTENTIAL CHANGES (Financial Times)
37) KYOTO PACT PUTS US AT RISK (Journal of Commerce)
38) CARMAKERS ACCEPT ROLE IN CHANGES TO CLIMATE (Detroit Free Press)
39) A CHANGE IN THE ATMOSPHERE (BBC Special Report)
40) FORECASTS OF TREATY'S BURDEN ON US AGRICULTURE (Farm Bureau News)

---

1) GLOBAL WARMING DEAL REACHED
BBC News
November 14, 1998
Internet:
http://news.bbc.co.uk/hi/english/special_report/1998/10/98/global_warmin g/newsid_214000/214286.stm

An action plan to cut greenhouse gas emissions has been agreed by world environment ministers at the global climate talks in the Argentine capital.

The deal followed hours of tortuous negotiations that lasted through Friday night and into Saturday morning at the United Nations Climate Conference in Buenos Aires.

The UK Environment Minister and Deputy Prime Minister, John Prescott, denied that the agreement had been fudged at the last minute saying it was a good day for the environment.

"It didn't look as if it was going to come off but it has and I'm delighted," he said.

"There's still a lot of work to do. What we've done is set out a timetable for that programme so that we can achieve it."

After emerging from the marathon talks with representatives from several key countries, US Undersecretary of State Stuart Eizenstat said: "We're very pleased. We think it advances the momentum of Kyoto."

The agreement has been presented to all the delegates at the climate talks.

Verge of failure

BBC Environment Correspondent Richard Wilson said that at one point during the night the conference seemed on the verge of breaking down when the G77 Group of Developing Nations walked out.

With little sign of consensus there were as many as eight competing proposals circulating during the night.

The agreement sets a timetable for the gradual implementation of the 5% cut in greenhouse gas emissions agreed under the Kyoto Protocol in Japan last year.

There is also a framework for starting to transfer high technology and investment from the developed to the developing world.

The intention is to encourage investment in projects which reduce greenhouse gas pollution to create credits that can be used as offsets against pollution elsewhere.

To make the system work it is thought inevitable that a trade in carbon dioxide pollution permits will be set up. Although not dealt with specifically in the text, such a system would require major polluting companies to buy the right to pollute in the form of tradable permits.

During the negotiations the 180 participating countries divided into three competing trading blocs unwilling to take on expensive clean-up commitments that might leave them at a disadvantage to competitors. More than 130 countries remain outside the scope of the Kyoto Protocol.

Warming warning

Climate scientists predict that the global temperature will rise by up to 3.5C over the next century - greater than any climate change in the last 10,000 years. They say sea levels will rise by 15cm-95cm by 2100 - and will go on rising for another 400 years.

2) CLIMATE TALKS EXTENDED IN PURSUIT OF AN ACCORD
Washington Post
November 14, 1998; Page A03
Internet:
http://search.washingtonpost.com/wp-srv/WPlate/1998-11/14/114l-111498-id
x.html

BUENOS AIRES, Nov. 13-With a deal reportedly within reach, delegates to a United Nations climate conference hunkered down for a second all-night bargaining session tonight to try to decide how to implement last year's international accord to fight global warming.

The two-week conference slipped into overtime as rich and poor nations continued to clash over how to share the responsibility for cutting emissions of "greenhouse gases." U.N. officials had hoped to reach agreement today on a set of deadlines and rules that would lock nations onto a course for solving what many scientists see as the planet's most serious environmental problem.

Diplomats appeared to have achieved significant breakthroughs on several fronts, but officials acknowledged that the talks could collapse if the 160 nations gathered here fail to reach consensus on a wide range of contentious issues.

"We're going to go out of here with a signed-and-sealed deal or we go out with nothing," Peter Jorgensen, spokesman for the European Union's environmental mission, told reporters. "You're not going to get out of here while it's light -- unless it's the morning light."

Last year's climate pact approved in Kyoto, Japan, would bind industrialized countries to sharp reductions in greenhouse gases over the next 13 years. But Kyoto left many issues unresolved, including when and how developing countries will take on obligations for curbing their emissions. The pact was formally signed on Thursday by the Clinton administration, but U.S. officials insist they will not submit the pact for the Senate ratification needed for it to become law until improvements are made.

Throughout the day, the mood at the cavernous municipal exposition center in Buenos Aires rose and fell with reports of deals that were on and then off again. U.S. and European governments at one point appeared to have scored a victory with an agreement on an early deadline -- the year 2000 -- for setting rules to enforce the Kyoto accord and setting up market-based programs that would allow countries to work jointly on reducing emissions.

But late today a group of developing countries led by China and Saudi Arabia objected to the deadlines, a startling turn of events that appeared to put the entire conference in limbo. Other diplomats shrugged off the setback and insisted that talks would continue until a deal was reached.

"I don't think anyone wants to go home and say we can't take this process any further," said Jorgensen, the EU spokesman. "I don't think we could sell that result."

Still, the slow going in Buenos Aires was seen as a poor omen, since many of the most difficult decisions are not even scheduled to be addressed until next year at the earliest. Some observers at the conference were already labeling it a failure.

"A great deal of energy expended for not much of a result," said James Sheehan of Competitive Enterprise Institute, a free-market think tank that opposes the Kyoto treaty.

But others said Buenos Aires had already achieved significant breakthroughs, most notably the decisions by two developing countries -- Argentina and Kazakhstan -- to set voluntary limits on their emissions.

"The show of leadership to the rest of the world was critical," said Eileen Claussen of the Pew Center on Global Climate Change, a partnership of large corporations that broadly support action on climate change. "This meeting turned a critical corner, showing the first signs of a global response to this problem."

The diplomatic wrangling coincided with new scientific reports of unusual warming in the atmosphere and oceans. According to U.S. government scientists, surface temperatures last month just missed tying the record for the hottest October since reliable measurements began more than a century ago.

Last month's global average temperature reached 58.14 degrees Fahrenheit, just shy of the 58.15-degree record set in October 1997.

The month was 1.04 degrees warmer than the 117-year average, the National Oceanic and Atmospheric Administration said, continuing a trend of unusually warm temperatures in a year in which each of the first nine months set new records.

While many scientists agree that pollution is causing a slow rise in global temperatures that could eventually become disastrous, it remains uncertain whether this year's unusual warming is part of such a trend.

3) BECALMED WHILE HURRICANES RAGE
Financial Times
November 17 1998

The stakes are high but the biggest decision at this year's UN climate-change conference was to delay deciding, reports Vanessa Houlder.

I hear that the current spate of natural disasters may be caused by climate change and that there is an international effort to remedy this. What happened at the United Nations conference on the subject last week?

On the face of it, not a lot. It was meant to start sorting out the loose ends from the Kyoto conference last year. Then, rather against the odds, the industrialised world agreed to legally binding cuts in greenhouse gas emissions, which are blamed for global warming. This year's conference, held in Buenos Aires, was less dramatic. After two weeks of intricate negotiations, the conference decided to postpone most of its difficult decisions, doing little more than outline the items to be discussed in the future.

It sounds like the old joke: everyone talks about the weather, but no one does anything about it.

It's easy to be cynical. The meeting was a huge talking shop: there were 1,600 ministers and officials and more than 2,500 delegates from the UN and various lobby groups.

For two weeks they were closeted in a vast conference hall discussing the "process" of agreeing climate change measures with the help of obscure jargon - "invisible brackets", "zeroth draft", "nonpapers" - and endless acronyms: COP, MOP, GEF, COW, AIJ, to name but a few.

It is not surprising that progress was slow. The attempt to curb global warming is an enormously difficult undertaking. Countries are understandably reluctant to do anything that will hurt their prospects for economic growth. So there is a huge debate about how to share the burden of reducing dependency on fossil fuels. Moreover, it is a bit like setting up a cartel - it will only work if everyone abides by the rules. That means there is a lot of suspicion about some provisions in the Kyoto protocol that, critics say, could allow countries to wriggle out of their obligations.

Such as?

The so-called "flexible mechanisms", market-based instruments designed to reduce the overall cost of curbing global warming. There is widespread support for one of these - the clean development mechanism - which will give an incentive to industrialised countries to transfer clean technology to developing countries.

But emissions trading, which allows countries to sell credits if their emissions are lower than target levels, is far more controversial. The US believes such trading has a crucial role, but the EU and G77 group of developing countries want to impose limits on its use, since they fear it could otherwise reduce the pressure on industrialised countries to make domestic cuts in emissions. This is one of several contentious issues the Buenos Aires summit failed to sort out.

You make the conference sound like a non-event. Didn't the US sign the protocol? Wasn't that significant?

The US delegates claimed that signing the protocol gave added momentum to the talks. But it was not so significant, in fact, because it does not take the US any closer to ratification.

The US Senate strongly opposes ratification because it thinks the Kyoto protocol is too stringent and will lead to industrialised countries losing jobs to the developing world, which would not be subject to stringent pollution controls.

One of the fiercest arguments at Buenos Aires was over the US insistence that developing countries should make voluntary commitments to abate emissions. Yet there is strong opposition to the US request from key countries such as China. So there are difficult arguments ahead. How much does US ratification matter? Well, some people argue that even if the US doesn't ratify the protocol, it will still have moral force. But there is a strong possibility that without the US coming on board, the entire international agreement on emissions reductions could fall apart in a few years' time.

The crunch time is likely to be after the next US presidential elections. Optimists about ratification hope that political sentiment in the US will swing behind the Kyoto protocol. They cite growing public concern about climate change, and a growing willingness of US industry to take climate change seriously, as grounds for hope. Moreover, if there continue to be large numbers of extreme weather events such as hurricanes, droughts and floods, people's minds may become concentrated on the subject.

And if this UN agreement is derailed? Is all lost?

In the short term, the stakes are high - even though it is arguable that the emission cuts agreed in the Kyoto protocol, an average of 5 per cent between 1990 and 2010, will not by themselves do much to save the planet.

Many scientists argue that it is too little, too late to make a difference. But it is important in that it paves the way for further cuts and, moreover, sends a signal to industry and consumers about the need to reduce dependency on fossil fuels.

In the long run, though, it may come to seem less important. Arguably, technological advances, rather than political will, are going to be the key to combating global warming. If the development of cheap and effective alternatives to fossil fuels gathers lasting momentum, theUN's efforts might come to seem something of a sideshow.

4) AGREEMENT FORGED ON GLOBAL WARMING
Economic Times-India
14 November
Internet: http://www.economictimes.com/151198/15worl05.htm

WORLD environment ministers reached a deal on Saturday for a schedule of action to curb the industrial world's emissions of heat-trapping gases, keeping plans to slow global warming on track, delegates said.

The deal, whose details were not yet available, followed hours of tortuous negotiations that stretched well into Saturday morning at global climate talks that were supposed to have been wrapped up Friday.

"We're very pleased. We think it advances the momentum of Kyoto," said US Under Secretary of State Stuart Eizenstat, emerging from the marathon talks with representatives of key countries.

Negotiators from blocs led by the United States, the European Union and key developing countries confronted hours of arguments by India and Saudi Arabia before agreeing to set schedules for implementing pledges to cut emissions made in Kyoto, Japan, last December.

The deal was to be presented later to all delegates at the talks in the Argentine capital.

"I think this moves the process forward and provides new momentum in the international negotiations to fight global warming," said Jennifer Morgan, climate policy officer with the World Wildlife Fund (WWF).

The aims at the Buenos Aires talks had been modest, since the US and the European Union agreed to put off their sharp disagreement on how much market mechanisms should be used to cut pollution. They shelved that debate until the next yearly climate meeting.

But failure to set a schedule for firm decisions on implementation of the Kyoto Protocol would have dealt a hard and perhaps fatal blow to the agreement, in which developed nations promised to cut their emissions of greenhouse gases from burning fossil fuels by 5.2 percent below 1990 levels by 2008-2012.

Ministers had cancelled plane reservations as negotiations which were expected to be stitched up early Friday dragged to near dawn on Saturday.

Exhausted delegates began the final day of talks by passing a motion of solidarity with the Central American victims of Hurricane Mitch, perhaps a harbinger of the killer weather that scientists say will become more common in a warming planet.

Scientific evidence is mounting that the buildup of carbon gases in the atmosphere from burning fossil fuels is trapping heat, changing the global climate with devastating results. - Reuters

5) DEGREES OF PROGRESS AT ENVIRONMENTAL SUMMIT
Los Angeles Times
November 15, 1998

BUENOS AIRES--After an all-night session culminating two weeks of sometimes contentious and bureaucratic talks, negotiators from more than 170 nations attending a conference on global warming here wrapped up the event Saturday with the expected result: modest progress.

Following up on a treaty hammered out last year in Kyoto, Japan, the delegates set 2000 as a deadline for creating a global mechanism to police efforts to reduce emissions of six "greenhouse" gases that cause global warming and to hold accountable the nations that fail to comply.

The participants also made small steps on a fundamental and divisive issue: the use of U.S.-backed, market-based plans allowing industrialized nations to meet anti-pollution targets by trading emission "credits" or funding clean-air projects in poorer nations.

U.S. diplomats and environmentalists welcomed the notable change in the attitudes of developing nations, which in the past monolithically resisted pressure to increase their role in the fight against global warming.

Because U.S. ratification of the Kyoto treaty faces stiff opposition from Senate opponents who demand "meaningful progress" by key developing nations before considering the issue, last week's unprecedented promises by Argentina and three other countries to cut emissions voluntarily amounted to a domestic political victory for the Clinton administration.

"These pledges reflect a growing recognition that climate change is truly a global challenge that requires a global solution," said Undersecretary of State Stuart E. Eizenstat, the chief U.S. delegate. "They have changed the map of future negotiations."

Latin American and African nations in particular showed a new willingness to participate in initiatives with industrialized nations.

Their shift reveals a split in a bloc of 77 developing nations--led by China and India--that has insisted that the United States and other top polluters reduce emissions at home before requiring sacrifices of others.

During a year when record-high temperatures and destructive hurricanes are seen as ominous signs of the menace of climate changes, however, the breakthrough is more an encouraging change of mentality than a substantive achievement. It was also one of the few bright points of a conference that, burdened with the responsibility for creating a process to implement the Kyoto treaty, proceeded at a sometimes painful pace.

The first week of discussions among bureaucrats bogged down in minutiae and acrimony, slowing the work of high-ranking negotiators who arrived during the final days, observers complained.

"Civil servants achieved absolutely nothing in Buenos Aires," asserted Lars Jensen of the World Wildlife Fund. "Until [environmental] ministers arrived, the hurricane of climate change was blowing in the world outside while here, at the eye of the storm, there was an eerie silence."

Other environmentalists took a more enthusiastic view.

The head of the New York-based Environmental Defense Fund praised the Clinton administration's emphasis on the "innovative proposal" of emission trading and other market-based approaches, which drew increasing interest here from developing nations.

"Countries and companies will have the opportunity to make [emission] reductions in the most cost-effective way possible and incentives to make them even faster than required," said Fred Krupp, the organization's executive director.

Three strategies approved in Kyoto are the centerpiece of what U.S. diplomats call a "win-win" market-based approach to reducing emissions while sustaining economic growth.

Industrialized nations can gain emission reduction credits through a "clean development mechanism" by financing clean-air projects in developing nations; nations can "trade" emission allowances with one another; and developed nations can gain credit by helping other developed nations reduce emissions.

The continuing philosophical dispute about this reliance on economics and "flexibility" remained a key point of contention at the conference, pitting the United States against European nations. The latter want to limit the extent to which industrialized nations can lighten their anti-pollution burden by trying to reduce emissions in developing nations, which have no binding targets. The U.S. opposes any such caps.

Skeptics worry that the market-based schemes are vulnerable to manipulation and deception. They say such plans should not replace concerted domestic efforts by developed nations, which are committed to reducing emissions by at least 5% from 2008 to 2012.

"This is turning into a trade and economic negotiation; climate is getting pushed further and further down the agenda," said Bill Hare of Greenpeace, an environmental group. "Science is being replaced by carbon trading markets as the driver for the talks."

Despite continuing divisions, the delegates here agreed to establish rules governing the market-based schemes by 2000. And, after an early morning dust-up that caused a brief walkout by developing and oil-producing nations, the negotiators arrived at a timetable for putting into place a crucial system that will monitor compliance with the Kyoto targets.

"There were few successes, but one of the surprise successes here was the worldwide recognition that the Kyoto protocol needs to have a credible compliance system in order to be effective," said Jennifer Morgan of the World Wildlife Fund.

The world community must still decide how to monitor compliance, who will do the policing and what the punishments will be if targets are not met. The conference reflected a changing attitude among nations and among corporations--a prime focus of any serious anti-pollution campaign--that is encouraging, Eizenstat said.

"Our talks here were arduous," Eízenstat said. "But looking back over the past year, I would have not predicted we would come so far in so short a time. In Kyoto, only a handful of companies would acknowledge that the threat of climate change is real. A year later, a growing number are becoming full partners in our efforts and pledging real actions to reduce emissions."

The nations will meet again next year in Amman, Jordan, though Eizenstat said negotiators also agreed to hold more frequent consultations to grapple with a growing number of issues.

6) KEY QUESTIONS REMAIN AT GLOBAL-WARMING TALKS
New York Times
November 14, 1998
Internet:
http://www.nytimes.com/library/world/global/111498climate-conference.html

By WILLIAM K. STEVENS

Negotiators in the talks at Buenos Aires, Argentina, on global warming were locked in a last-minute struggle Friday night to resolve key questions that seemed merely procedural -- but that in reality went to the heart of the politically charged question of how fast the world can and should move to deal with the prospect of climatic change.

At issue were the shape and pace of the work schedule for putting flesh on the bones of the Kyoto Protocol, an agreement reached a year ago in Japan under which industrialized countries have committed themselves to make legally binding reductions in emissions of heat-trapping waste industrial gases like carbon dioxide.

Mainstream scientists say that if the emissions are not reduced, the world's climate could be seriously disrupted in coming decades.

As the Buenos Aires discussions opened on Nov. 2, virtually all major figures in the talks said that the measure of their success would be the successful adoption of a work schedule. But as the 12 days of negotiations approached their scheduled end of midnight Friday, no accord had been achieved.

The work schedule is crucial because it will govern how soon operating rules are established for the mechanisms of achieving emissions reductions. Not until then, assuming the Kyoto Protocol is ratified by the required countries including the United States, can the protocol truly take effect.

Late in the day, the conference chairwoman, Maria Julia Alsogary of Argentina, circulated a draft proposal establishing a two-year deadline for fashioning the operational rules.

As midnight approached, there was cautious optimism. "I think it's likely we're going to reach closure, but the clock is ticking," said Dirk Forrister, a member of the U.S. delegation. It was clear, he said, that the deadline would be extended: "We're going to be going into the wee hours" of Saturday.

At Kyoto, the industrialized countries agreed to reduce their emissions of carbon dioxide and other greenhouse gases, which are produced mainly by the burning of coal, oil, wood and natural gas, by an average of about 5 percent below 1990 levels in the next 10 to 14 years. The United States' reduction would be 7 percent. Developing countries so far have no specific targets, but are required in general to control their emissions.

One of the two operational mechanisms established at Kyoto is called emissions trading. It would allow a country or private company to achieve its cuts partly by buying reductions from a country or company that has reduced its emissions more than required.

In theory, say the method's proponents, this would bring about faster reductions at lower cost. They say this has been proved by an emissions trading system for reducing industrial sulfur dioxide emissions in the United States.

The other arrangement, called the clean development mechanism, is designed to enable rich countries to invest in emissions-reduction projects in poor countries. One example is high-efficiency power plants that emit less carbon. In this way, in theory, the poor countries would reap both environmental and economic benefits. The investor and the recipient would share credit for the emissions reductions achieved.

One sticking point in Buenos Aires involved which of the two mechanisms should receive priority. Many developing countries, seeing the prospect of reaping new investment in their economies, wanted the rules and regulations for the clean development mechanism to be worked out first, on an accelerated schedule, with those for emissions trading completed later.

The United States and other rich countries feared that if the clean development mechanism received first priority, developing countries would then refuse to approve rules and regulations for emissions trading. Developing countries have been suspicious of emissions trading, fearing that it might be used by any given industrialized country as an excuse for not reducing its own emissions as much as it could or should.

The United States therefore insisted that the two mechanisms move toward operational status on parallel tracks.

As the Buenos Aires session moved into its final hours, the parallel-track idea appeared to be ascendant. Ms. Alsogaray's proposal would require that "substantial progress" on rules for the operational mechanisms be demonstrated a year from now, with a firm decision in two years.

Between the yearly benchmarks, according to a U.S. proposal, more frequent high-level discussions would attempt to speed the decisions.

One particular obstacle in the way of eventually making emissions trading a reality is an insistence by the European Union, backed by some developing countries, that a limit be placed on the amount of a country's emissions reduction target that could be achieved through trading. The United States adamantly argues that this would rob the arrangement of its cost-cutting value and allow fewer reductions, worldwide, as well.

7) UK REJECTS ATTACK ON CLIMATE DEAL
BBC News
November 15, 1998
Internet:
http://news.bbc.co.uk/hi/english/special_report/1998/10/98/global_warmin g/newsid_214000/214574.stm

Environmentalists say a new global agreement to tackle greenhouse gases fails to do enough to halt climate change. But UK Deputy Prime Minister, John Prescott has rejected the criticisms.

Emerging from the negotiations at the United Nations Climate Conference in Buenos Aires, he said it was "a very good day for the environment".

Friends of the Earth labelled the agreement, thrashed out between 160 countries, as an "inaction" plan. The group warned that the world had lost valuable time in the race to stave off climate change.

At stake is one of the Earth's most troubling environmental issues: undue warming of the planet believed to be made worse by carbon dioxide released from burning coal and gas, principally from power plants and cars.

Timetable for cuts
Last December, 38 industrial nations met in Kyoto, Japan and agreed to binding reductions in their greenhouse gas emissions by 2012, setting a target 5% below 1990 levels.

The Buenos Aires deal sets a timetable for the gradual implementation of that cut. There is also a framework for starting to transfer high technology and investment from the developed to the developing world.

The intention is to encourage investment in projects which reduce greenhouse gas pollution to create credits that can be used as offsets against pollution elsewhere. To make the system work it is thought inevitable that a trade in carbon dioxide pollution permits will be set up.

Although not dealt with specifically in the text, such a system would require major polluting companies to buy the right to pollute in the form of tradable permits.

Outstanding issues not resolved include whether to impose penalties on nations which do not achieve their targets, how to transfer climate-friendly technology to developing countries so they pollute less, and the nuts and bolts of how to measure the pollutants.

Too little, too late

FOE claimed the conference had failed to face up to the fact that the Kyoto targets were not ambitious enough. "Every year that they put off hard political decisions, dangerous climate change becomes an increasing inevitability," the group said. "This meeting has been a trade fair, wrangling over how to keep the fossil fuel industry alive and burning."

Greenpeace climate campaigner Stephanie Tunmore said the real issue of escalating greenhouse gas emissions had been "obscured by a thick fog of jargon". She added: "Climate is getting pushed further and further down the agenda."

UK defends agreement

However, Mr Prescott denied the agreement fudged the real issues.

"In a short time we have come a long way in trying to combat climate change for future generations," he said. "We set legally binding targets in Kyoto. Now, less than 12 months later, developed countries have set themselves an action plan to deliver those targets.

"Throughout this international process the UK has played a leading role, both in international diplomacy and in pioneering the science which underpins it."

8) MENEM AT CLIMATE CHANGE MEET: "LET US PLEDGE CUTS TOO"
Buenos Aires Herald
16 November

In what some described as an important breakthrough, President Carlos Menem on Wednesday asked that developing countries be given a place in the worldwide effort to reduce the greenhouse gas emissions that are affecting the climate, and said that Argentina will present its own emissions rollback target at the fifth UN meeting on climate change next year.

"The highly developed countries are not the only ones that can contribute to setting up a new world order," Menem told delegates and environment ministers from 169 countries at a plenary meeting of the 4th Meeting of the Parties to the UN Framework Convention on Climate Change. "The developing countries are also responsible for assuming their own initiatives to face and resolve each and every one of the challenges of the 21st century that is just around the corner."

Argentina's announcement was hailed by the United States, which is refusing to ratify the Kyoto climate treaty and cut its own emissions without "meaningful participation" from key developing countries.

"As the first developing country to make this pledge, Argentina demonstrates great leadership, real courage and a deep appreciation that climate change is a global challenge that demands a truly global solution," US Under Secretary of State Stuart Eizenstat said in a statement.

In his speech, Menem also announced that Congress is in the process of approving Argentina's ratification of last year's Tokyo Protocol, which establishes guidelines for rolling back climate-warming gas emissions.

The bill has passed the Senate and is now before the Lower House, meaning that Argentina could soon become the third country in the world - and the first economy of any significance - to ratify the Protocol.

Only Fiji and Antigua and Barbuda - small island states that fear they will be swallowed by the sea as icecaps melt in a warmer world - have ratified the Protocol so far.

Menem said that before the fifth meeting of the conference, Argentina would define its goals "which will establish how we will grow with fewer carbon emissions."

He said the goals will be determined "with the participation of all social sectors through a broad national debate" and that Argentina will state its commitment for 2008-2012 at the next conference.

"We will continue working so that countries like Argentina, which want to assume a voluntary commitment, can participate in all the mechanisms of the system," he said.

The Kyoto Protocol thus far obliges only industrialized nations to set targets for cutting back emissions of a half dozen different gases that are considered responsible for global warming. Menem noted that for developing countries like Argentina to do the same, "a new channel within the Convention, which will allow countries to participate in all the mechanisms of the Convention and the Kyoto Protocol" must be created.

In reality, Argentina sees world climate action as a potential huge source of capital inflow. Under emissions-trading rules being proposed by the United States and other industrialized countries, Argentina believes it could earn 700 million dollars a year as payment for maintaining carbon dioxide-absorbing forests alone.

Environmentalists are concerned by the possibility that letting developing countries into the Protocol "big league" will allow them to declare ambitious development targets and then sell their unused emissions permits - wryly nicknamed "hot air" - to offset continued pollution in the United States.

However, they now see a worse threat in a major lobbying effort by the OPEC oil-producing nations among the Group of 77 developing countries.

"The World Wildlife Fund welcomes President Menem's initiative to take on voluntary commitments," Jennifer Morgan, climate policy officer of the Fund's Climate Change Campaign, told the Herald after Menem's speech. "However, we will be looking closely at what the target will be in the next year, but we think that he has taken a leadership step in addressing the problem of global warming."

Morgan added, "I also think that this is a very important development in light of the activities of the OPEC countries in these negotiations, who have been extreme opposition forces, when countries like Argentina and the Africa group come forward with their own proposals and are not held back by OPEC. That's an incredibly positive development and we encourage those countries, such as Argentina and the African group, to step forward and take leadership and not be held back by the interests of the fossil fuel lobby."

Bill Hare of Greenpeace International concurred. "While welcoming the initiative, we will however be watching to ensure that Argentina brings forward an environmentally-friendly target."

The OPEC oil-producing countries are insisting on compensation should they sell less oil as energy-related taxes are aimed at curbing fossil fuel emissions in industrialized countries in the battle against global warming.

OPEC predicts revenue losses of 30 billion dollars per year annually by 2020. Saudi Arabia, Kuwait, Venezuela, Qatar and other OPEC members are determined to preserve wording in the Kyoto agreement that would allow for compensation to countries suffering adverse economic effects from actions taken by developed countries to reduce their emissions.

The text is aimed at providing assistance to developing countries that are forced to adapt to carbon-curbing measures and new technologies, and particularly to low-lying regions and island states most susceptible to climate change and accompanying rising sea levels.

In his speech, Menem said that during the past decade, Argentina's economy has been growing at a rate of six percent annually, while it has produced only one percent more greenhouse gases during the entire period.

By the year 2000 - when most of Argentina's thermoelectric energy plants will have been converted to energy-saving combined cycle technology, the country will also have become the world's cleanest producer of this type of energy, he said.

"We firmly believe that this is the only way to sustained growth in the present globalized world economy," he said. (With news agencies)

9) CLOUDS OVER CLIMATE ACCORD
The Press - New Zealand
17 November
Internet: http://www.press.co.nz/46/98111714.htm

Has the United States finally nerved itself to take climate change seriously? Not yet. To coincide with the Buenos Aires conference on climate, just ended, the US belatedly signed the Kyoto treaty reached in Japan last year. That is supposed to commit it to fighting the industrial pollution blamed for global warming. Yet because the signing has to be ratified by the Senate, any real gain may be up to two years away.

President Clinton says he wants to see how developing countries handle their commitments under the treaty before he asks for ratification. Given his proposed delay, it will not be the President's problem. His successor will have to deal with it. Mr Clinton thus has the best of both worlds. His decision effectively sidelines immediate American participation in the treaty while still giving evidence of good intention.

That approach, in part, stems from practical politics. Mr Clinton faces stiff opposition to the treaty from Republicans. Their threatened blockage was one reason the US was among the last of the rich industrial nations to come to the climate party. The Senate has already decided to withhold approval unless developing countries, particularly China and India, agree to pull their weight.

The treaty calls for sharp cuts in emissions of waste gases. Those targets were the subject of sharp discussions in Buenos Aires. At the 11th hour, 160 nations managed to find ways for industrialised countries to reduce emissions by an average of 5.2 per cent below 1990 levels. The target years by which that is supposed to happen vary from 2008 to 2012.

One way of getting there is having rich countries buy pollution quotas from poor ones which have less industry. Indeed, the conference was at times like a trade fair. The marketing of emission quotas was attacked by the Danish environment minister, Svend Auken. "Creative bookkeeping should never be allowed to replace concrete progress," he said.

But it has. There is, anyway, still division about whether the build-up of greenhouse gases boosts global warming and causes severe storms, droughts, and floods. However, the arguments at Buenos Aires assumed the science is correct. They addressed instead the emerging practical problems that industrial pollution presents.

The US is the biggest emitter of greenhouse gases. It wants developing countries at least to slow their emissions growth. Even getting agreement on that was hard. For example, China wants no such barriers to its industries. It says the emissions of developed countries are a luxury; those of developing countries represent survival.

The US Vice-President, Al Gore, who enjoys a high profile on environmental issues, is confident that in time nations will agree on a plan to both allow economic growth and fend off global warming. The cause for his optimism is hard to pin down. At present, the only immediate measures his own country is prepared to consider are barely token gestures. They include stricter efficiency standards for appliances, encouraging clean technologies, and restructuring the electric-power industry. Given the scale of the global problem, those are hardly steps that mark a significant contribution.

The most telling speech at Buenos Aires came from the Micronesian vice-president, Leo Falcam. His problems are stark. Without swift action, he says, rising seas from melting ice caps will wreck his island nation. "By the time that happens the rest of the world will be on an irreversible track towards devastation. It is inconceivable that all the nations of the world . . . could allow this to happen".

Pleas like that may have driven the squabbling participants to their last-minute agreement on transferring technology to developing nations and their plan of action for implementing the Kyoto treaty. At times the conference descended into procedural chaos. That, combined with insistence on national interest, caused the developing nations' delegates at one point to walk out. But, although they were persuaded to return, the Buenos Aires result does little beyond moving the Kyoto process on. The acrimony that had to be overcome to get even that far suggests many nations are not yet taking global warming seriously. And, as Mr Falcam suggests, time may be running out.

10) U.S. SIGNS A PACT TO REDUCE GASES TIED TO WARMING
New York Times
November 13, 1998
Internet:
http://www.nytimes.com/library/world/global/111398us-global-warming.html

WASHINGTON -- The Clinton administration Thursday signed the international agreement to fight global warming, affirming a crucial American role in a long environmental crusade but not raising any hope of Senate approval in the near future.

The signing, which the administration has long promised, reinforces its commitment to the agreement, which calls for sharp cuts in emissions of industrial gases from burning coal, oil, wood and natural gas. But the accord is not legally binding unless the Senate approves it.

Vice President Al Gore said, "Our signing of the protocol underscores our determination to achieve a truly global solution to this global challenge." But he emphasized that much more bargaining lies ahead.

Opponents of the agreement in the United States immediately raised an outcry, but the step was widely applauded in Argentina, where some 150 nations are meeting to debate details of how the accord can be put into effect.

Stuart Eizenstat, the chief U.S. delegate to the talks in Buenos Aires, announced there Thursday morning that the United States would sign the pact, which was negotiated last year in Kyoto, Japan. Peter Burleigh, the acting U.S. representatives to the United Nations, signed it in New York on Thursday afternoon.

But the administration, as expected, will not yet submit the Kyoto Protocol for approval by the Senate, where it faces substantial opposition from critics who say the costs to industry of compliance would damage the economy.

The White House has said all along that the United States would sign the accord before the deadline next March, but would not ratify it unless key American provisos are accepted. Given the pace of the continuing talks, that probably means it will not be approved before the 2000 elections.

Without the participation of the United States, the leading source of the waste industrial gases that scientists say cause global warming, the agreement would collapse. The United States was the 60th nation to sign.
"Kyoto is a landmark achievement, but it is a work in progress and key issues remain outstanding," said Eizenstat, who is the undersecretary of state for economic affairs.

In a telephone interview, he said the signing was intended to strengthen the U.S. negotiating hand, but critics in Congress, echoing the views of their constituents in industries like coal and automobiles, said that it would reduce U.S. leverage instead.

Eizenstat called the announcement a high point in negotiations that otherwise have focused on incremental advances toward putting the complex agreement into force.

"I am not gilding the lily when I say there was near euphoria among delegates here," he said. "They just felt this was a real sign of U.S. leadership. I think there was really a doubt that we were really going to pursue this, with all the opposition in the Senate and in other quarters. The feeling was that perhaps the domestic opposition was so stiff that we were going to back off."

The protocol, which strengthens a global treaty negotiated in Rio de Janeiro in 1992 and ratified during the Bush administration, would commit the United States to steep cuts in its emissions of gases like carbon dioxide, which comes from burning fossil fuels.

Mainstream scientists say that rising atmospheric concentrations of these greenhouse gases, warming the earth's surface like an invisible quilt, are threatening to disrupt the planet's climate and to cause potentially grave environmental harm.

Under the agreement, the United States would have to cut its emissions by about 7 percent from the 1990 level over the next 10 to 15 years. Since 1990, emissions have been steadily increasing, making that target even more ambitious.

The conditions that the United States is demanding are meant to hold down the costs of compliance, and to increase the chances that the Senate will eventually approve the agreement.

One U.S. condition is establishing a system of international trading in emissions credits, effectively allowing the United States to buy its way out of meeting goals by paying other countries to reduce their emissions further. Another is persuading developing nations to take a larger role in cutting emissions, encouraging them with financial assistance from developed nations who would take emissions credits in exchange.

Both ideas face strong resistance from some countries that say the first steps must be taken by industrial nations like the United States, which historically has emitted about a quarter of all greenhouse gases.

At the same time, opponents of the treaty led by major energy producers and consumers are continuing to marshal opposition in Congress, arguing that its emissions targets cannot be met without damaging the economy.

Sen. Joseph Lieberman, a leading proponent of the accord, said in Buenos Aires that signing the protocol "gives us the credibility to be at the table" in the continuing talks.

"That means we can not only make sure it happens, but that it happens in the way that we prefer," he said.

But a Democrat who opposes the protocol, Rep. John Dingell of Michigan, said that "the timing of this signing only encourages countries who refuse to be part of any effort to limit greenhouse gas emissions."

On Wednesday Argentina pledged to limit its emissions, and on Thursday Kazakhstan did the same, but populous countries like China and India, whose emissions are growing quickly, continue to resist accepting formal limitations.

"The president has chosen a risky path both domestically and internationally," said Connie Holms, the chairwoman of the Global Climate Coalition, which represents major industry groups opposed to the treaty. "Clinton has sent the U.S. careening down an endless highway which appears on no maps, has no speed limits, no police patrols, and no exit or entrance ramps."

Sen. Chuck Hagel, R.-Neb., who sponsored a Senate resolution last year that opposed signing the treaty unless certain conditions were met, said the signing "blatantly contradicts the will of the United States Senate" and dared Clinton to submit it to the Senate. A two-thirds majority is required for approval.

"If this treaty is good enough to sign, it's good enough to be submitted to the Senate for an open, honest debate," he said.

Environmental groups praised the signing, but some complained that so far the United States is not doing enough to cut its own greenhouse gas emissions.

"Without a more vigorous commitment to domestic action, U.S. demands for more action by developing countries are like a chain-smoking parent telling his children that smoking is bad for them," said John Adams, president of the Natural Resources Defense Council, an environmental advocacy group. He urged the administration to take unilateral steps to cut emissions of carbon dioxide from automobiles, power plants and other sources.

11) GREEN FUTURES
New Scientist
21 November
Internet:
http://www.newscientist.com/cgi-bin/pageserver.cgi?/ns/981121/nclimate.html

Companies may start investing billions of dollars in renewable energy in the developing world, after a decision at last week's climate conference to back an incentive scheme known as the Clean Development Mechanism (CDM).

The conference became bogged down as it tried to frame rules for implementing cuts in emissions of greenhouse gases by industrialised nations, which were agreed last year in Kyoto. The meeting offloaded 142 decisions into a programme of work for the next two years. But amid the indecision, there was agreement that the CDM should go ahead as soon as possible. "It will be the first practical implementation of the Kyoto Protocol," British Deputy Prime Minister John Prescott announced as the conference closed.

The CDM encourages companies to build wind, solar or other clean-energy projects in developing countries. This should allow reductions in emissions of greenhouse gases in these nations, which do not have formal limits under the Kyoto Protocol. In return, starting in 2000, the companies will receive certificates showing the amount of carbon dioxide they have prevented from entering the atmosphere. These certificates could eventually be sold to power companies in industrialised countries who want to emit more than they would otherwise be allowed under their governments' agreed emissions targets. A renewable energy project might cost $25 to keep 1 tonne of carbon from entering the atmosphere, but yield certificates with a value of $30 a tonne.

Economists say the CDM, one of a series of systems for trading in emissions envisaged in the Kyoto Protocol, will reduce the cost of meeting the protocol's targets. The CDM could eventually have a turnover of $17 billion a year, says Robert Hamwey, an economist at the International Academy of the Environment in Geneva.

But last week's meeting failed to complete a review of the emissions reductions that will be needed to stabilise the climate. Many scientists say the aim should be to prevent greenhouse gas concentrations in the atmosphere from reaching double their preindustrial levels (see Figure).

A demand by the US for "key", but unnamed developing nations to accept formal limits on their emissions was also left unresolved. This demand comes with the incentive that targets would be generous and probably give countries spare entitlements that they could sell to rich nations. But just two nations took the bait in Buenos Aires: hosts Argentina and Kazakhstan, which are already making good progress. Kazakhstan's CO2 emissions are currently 45 per cent below 1990 levels, the baseline year for targets. And Argentinian companies have ambitious plans for expanding renewable energy, particularly in windy Patagonia.

12) KYOTO CLIMATE TREATY IS "DEAD," U.S. SENATOR SAYS
Reuters
23 November
Internet: http://www.planetark.org/new/news/23119802.html

WASHINGTON - A leading opponent of the Kyoto climate change treaty, U.S. Sen. Chuck Hagel, declared the agreement "dead" on Thursday and asked the White House to help start anew on a plan to cut greenhouse gas emissions.

Hagel said there was "no way" the White House could muster the two-thirds vote needed in the Senate to ratify a treaty.

"Very clearly now, this protocol is dead for as far as the eye can see in the U.S. Senate," the Nebraska Republican told a meeting of the Economic Strategy Institute in Washington.

"I think that you've got to start all over. This treaty is not achievable," Hagel said.

The U.S. signed the treaty last week at the United Nations, but President Bill Clinton has not submitted the agreement for Senate ratification, as the deal faces strong opposition from Republicans and industrial state Democrats.

Hagel said by signing the Kyoto treaty, the White House defied a resolution passed unanimously passed by the Senate last year.

The Byrd-Hagel resolution - named for its sponsors, West Virginia Democratic Sen. Robert Byrd and Hagel - said the Senate would never ratify a climate treaty that did not bind all countries by the same mandates and the Senate would not harm the American economy.

Last week also saw the close of an often contentious gathering of 170 nations in Buenos Aires for a U.N. conference on how best to implement the global plan to curb the pollution that many scientists blame for warming the globe and threatening the earth's environment and public health.

Hagel attended the meeting, where no final agreement was reached, since many nations disagreed on how rich and poor countries should share the burden of emission reductions.

He said one of the main reasons the treaty should be scrapped was a lack of participation by developing countries, like China, in the mechanisms to curb emissions.

Washington wants to establish a system of trading in pollution allowances so rich nations can buy them to shift a share of their required emissions reductions to cash-hungry nations that pollute less.

The senator stressed that not all scientists agreed that man-made carbon emissions were the root cause of the apparent warming of the earth and said any new climate change effort "should be predicated on clear, sound science."

13) TOKYO PLANS NEW ENERGY PROJECTS FOR 4 CHINESE CITIES
Nihon Keizai Shimbun
November 23, 1998
Internet:
http://businessjournal.netscape.com/network/export/stories?template=bf4.ft&story=n1122090.500&topic=472&date=19981123

TOKYO (Nikkei)--Japan and China, as part of energy policy ties, will select four cities in China to develop as models for alternative energy use, The Nihon Keizai Shimbun learned Sunday. Under the agreement, Japan will transfer environment-friendly energy technologies to China.

With a view to training experts on energy policymaking, the two governments will commission research organizations to introduce relevant training programs.

Prime Minister Keizo Obuchi is to propose the idea to Chinese President Jiang Zemin at their meeting set for Thursday in Tokyo. The plans are to be finalized at vice-ministerial talks in early December.

Former Prime Minister Ryutaro Hashimoto, during a visit to China last year, agreed with Beijing to select Dalian and two other cities as models to fight air pollution and other environmental problems.

The latest proposal will focus on energy issues and select four cities other than those slated for the initial project. Power-generating systems, including solar power and co-generation, as well as recharging facilities for electric cars will be established in the cities.

China is the largest producer of greenhouse gases after the U.S. To help reduce emissions, Tokyo will provide yen loans to Beijing to help build infrastructure needed to enhance energy efficiency, while the Chinese government aims to pass new emission-curtailing measures. Moreover, China's Qinghua University and Japan's Keio University will be commissioned to offer courses in energy policymaking.

14) CO2 PERMITS SEEN MAKING NEW UK NUKE PLANTS VIABLE
Reuters
19 November
Internet: http://www.planetark.org/new/news/19119802.html

LONDON - Construction of new UK nuclear power capacity would become economically viable if tradeable pollution permits were introduced in the power generating industry, said British Energy Plc Chief Executive Peter Hollins on Tuesday.

Hollins comments at a London industry forum came as a U.N. conference in Buenos Aires discussed a plan to fund clean technology for industrial growth in the developing world from a system of "polluter pays" carbon dioxide emissions permits in developed nations.

British Energy is the UK's nuclear power generator, producing about 30 percent of annual needs. Nuclear power provides about 34 percent of Europe's energy requirements.

Making the case for nuclear power in an increasingly environmentally conscious world, Hollins said he "realises very clearly that there will be no new nuclear capacity up and running in the UK during my working life" because of strong public unease about nuclear power and the currently unfavourable economic case.

But he said no progress will be made from simple exhortations to save energy or from a simple energy tax.

"What is required is tradeable carbon permits which would have the effect of stimulating sources of electricity which do not release carbon dioxide," he told the Institute of Economic Affairs' annual conference on electricity.

"Under these conditions new nuclear build would rapidly become economic," he added.

Britain has pledged to cut CO2 emissions by 20 percent over the period -- a figure that a British parliamentary committee recently said looked doubtful without a significant nuclear component.

But Hollins said all existing British nuclear stations except the newest, Sizewell B in Suffolk, southern England, will have retired by 2020. Nuclear plant would then be contributing less than three percent of the UK power total.

"Put another way, there is a fairly straightforward choice to be made on environmental grounds between a PWR (pressurised water reactor) such as Sizewell, which will produce 1600 tonnes of spent fuel in its operating lifetime, and the corresponding coal fired station which would produce 250 million tonnes of carbon dioxide during the same period," he said.

In the shorter term, Hollins said opportunities for his company have increased following the government's acceptance of vertical integration and its call for coal plant sales.

"Making the most of these opportunities would extend the company's skill base, opening new investment possibilities," he said.

The government gave approval in September for generator PowerGen Plc to buy regional supply company East Midlands on condition it sell 4,000 megaWatts of plant in order to assuage competition fears.

British Energy has been widely tipped in newspaper reports as a front runner in the bidding for regional supplier London Electricity, put on the block by its U.S. owner Entergy.

But Hollins would not give any indications about the reports.

"In general, we have said we are interested in the acquisition of a Rec(regional electricity company), but that is all we're going to say," he
told Reuters.

Bids closed a week ago and newspapers have suggested British Energy and Electricite de France were front runners. Industry sources said a bid from generator National Power is also still on the table.

15) EXPERTS URGE ALL-OUT PUSH FOR NON-FOSSIL ENERGY
ENN
November 19, 1998
Internet: http://www.enn.com/news/enn-stories/1998/11/111998/cotwo.asp

Grid-connected PV power plants, such as this one near Austin, Texas, are one type of non-fossil-fuel electricity generation. In order to stabilize atmospheric carbon dioxide content at twice pre-industrial levels by the year 2050 there needs to be a tenfold increase in carbon-emission-free power generation over the next 50 years, according to university researchers.

The team of researchers, led by New York University physicist Matin I. Hoffert, concluded that it will be necessary to boost carbon-emission-free power generation from 1.5 terawatts today to 15 terawatts in 2050.

"Stabilizing CO2 at twice pre-industrial levels without untenable economic disruptions implies a massive shift to carbon-free power, particularly in developing nations. There are no energy systems technologically ready at present to produce the required amount of carbon-free power," said Hoffert.

The change the researchers are calling for is a 150 percent increase in today's total energy production, implying a major transition in the global energy system.

Today, 85 percent of the world's 11 terawatts comes from fossil fuelsand 15 percent comes from non-fossil fuels. Hoffert's team found that non-fossil-fuel generation must account for at least 50 percent of the 30 terawatt total in 2050.

While Hoffert says that the energy systems needed to produce that amount of power are not currently technologically ready, "there are renewable, fission and fusion concepts incorporating innovative technological ideas at early research and development stages that could, in principle, provide needed carbon-free power."

However, the policy incentives for such technological ideas are not in place and without them it could take more than 50 years to penetrate to their market potential, Hoffert said.

"The bottom line is that we are going to need an international effort pursued with the same urgency as the Manhattan Project or the Apollo space program. The roles of governments and market entrepreneurs in the eventual deployment of such technologies need to be considered more comprehensively than we have been able to do here. It is our hope that the potential adverse effects of humanity on Earth's climate will stimulate new industries in the 21st century, as did the Second World War and the Cold War in this century," he said.

The research was published in the Oct. 29 issue of the journal Nature.

16) GERMANY WANTS AVIATION, SHIPPING GREENHOUSE CURBS
Reuters
17 November 1998
Internet: http://www.planetark.org/new/news/17119818.html

BUENOS AIRES - Aviation and maritime fuels should be subject to greenhouse gas limitations to slow global warming, German Environment Minister Jurgen Tritten said on Thursday.

"It is very important in this context that we...push in the International Civil Aviation Organisation and the International Maritime Organisation for greenhouse gas limitation and reduction measures in the respective sectors," Tritten told delegates at the U.N. climate convention in Buenos Aires.

The Buenos Aires meeting, which runs from November 2-13, is meant to find was of implementing the promise made by rich nations in Kyoto, Japan, last December, to cut their emissions of heat-trapping greenhouse gases by an average 5.2 percent by 2008-2012.

Although they are major polluters, aviation and maritime fuels were not included in the Kyoto agreement, because of the difficulty of deciding which countries were responsible for vessels' emissions.

Tritten is a member of the Green Party, a junior partner in Chancellor Gerhardt Schroeder's Social Democratic government.

17) MORE ZIMBABWEANS OPT FOR SOLAR POWER

Pan African News Agency
November 16, 1998
Internet: http://www.africanews.org/PANA/environment/19981116/feat3.html

HARARE, Zimbabwe (PANA) - The Global Environmental Facility said Monday a total of 12,000 solar systems had been installed in Zimbabwe's rural areas by October.

The project funded by UNDP was officially terminated in June, but work went on due to increased demand.

Project manager Gibson Mandishona said they managed to beat the targeted figure of 9,000 installations in rural homes, clinics, schools and business centres.

"The academic standards and income generating activities are improving," he said. "There is increased entertainment in rural areas, thus reducing rural-to-urban migration."

The project started in 1993 as a pilot project to reduce the problem of global pollution by substituting solar energy for fuels such as candles and paraffin.

Mandishona said consultants were now working on a successor project expected to start early 1999.

He said the project which emphasises the importance of environmental protection and poverty alleviation would also address other forms of renewable energy programmes which included wind and biomas.

"My hope is that if a new project takes place it should drastically improve the coverage of solar home systems," mandishona said. "The successor project, if accomplished, will solidly put Zimbabwe on a worldwide renewable energy map."

He said it was envisaged that renewable energies were the hope for the future because they abated global warming and environmental stress.

"Zimbabwe," he added, "could lead the Southern African Development Community region into the era of modern renewable energy."

18) BRAZIL TO RELY MORE ON NUCLEAR POWER
Reuters
19 November
Internet: http://www.planetark.org/new/news/19119810.html

RIO DE JANEIRO - Brazil's nuclear industry is bracing for an expected surge in electricity demand into the next century with more reactors, which it hopes to fuel locally with uranium from the world's sixth-largest reserve.

Some of Brazil's regions are so remote that their long-standing power needs point to an average 6 percent growth in national demand up to 2007, according to Ronaldo Fabricio, president of Eletrobras

Termonuclear (Eletronuclear).

And if Brazil's nuclear programme continues as expected, uranium - as opposed to coal, gas, oil or hydroelectric dams - could be the key to meeting that requirement, he said.

Brazil is home to the sixth-largest uranium reserve in the world with 300,000 tonnes, although only a third of the country has been explored to verify the existence of the element.

"We need the electricity here," Fabricio told Reuters in an interview. "There are places in Brazil where there is no electricity at all...and the consumption of electricity is permanently increasing."

Commercial electicity consumption rose by 7 percent from 1997 to 1998, while domestic consumption was up by more than 10 percent, he said.

With Brazil a net importer of oil and gas, the other energy options apart from nuclear power are coal and hydroelectric power, he said. But both of these had disadvantages.

"Our hydroelectric plants are all a long way away," he said. "Most are in the Amazon and the Itaipu electricity (from the Brazil/Paraguay dam) is basically sold out. We don't have enough oil and we import gas from Bolivia and Argentina. We don't have enough coal and it produces a lot of ash.

"Gas is considered to be our competitor but it can be put to better uses than burning it to produce electricity. But we do have a lot of uranium."

Headquartered in Rio de Janeiro, Eletronuclear is charged with overseeing Brazil's nuclear operations at Angra dos Reis, a picturesque bay in the south of Rio state.

So far one Electronuclear plant, Angra I, is on line and has already produced more than 25 million megawatt-hours, enough energy to supply a town of 1.2 million people. Construction began in 1972. The plant started commercial operations in 1985.

After years of funding delays, Angra I should be joined by a second operation, Angra II, in 1999. There is still the possibility of a third coming on line by 2005, depending on how demand shapes up, Fabricio said.

"Things are going as planned and we are not expecting any more delays. We expect it (Angra II) to be going on line in the second half of next year," he said.

"Angra III is still being studied. It's going to be identical to Angra II...but we won't start to construct unless we are sure we can sell the electricity."

Using the huge national uranium reserves spread across mines in the states of Minas Gerais, Bahia and Para, Brazil is in a position to maintain Angra II for some 20 years, along with 30 plants of similar size for all their operating life.

Angra II is scheduled to begin a test phase in December, generating five of its 1,300 megawatts of capacity. In March, the nucleus of the reactor will be loaded with uranium, the last stage before the plant can start commercial operation.

According to data released by Eletronuclear, once all three Angra plants are properly on line, the company will have access to generation capacity of 3,265 MW - equivalent to around 50 percent of the energy consumed in the state of Rio de Janeiro.

"It (nuclear power) supplies a very small percentage of Brazilian energy, but the planning is that for the next 10 years, it is going to increase," Fabricio said.

Currently, Brazil sends uranium ore to Germany for enrichment and imports it back as finished uranium for use in reactors. Fuel orders to the Urenco consortium, formed by British, Dutch and German companies that enrich the uranium using ultracentrifuges, cost Brazil some $19,000 a year.

As part of its strategy for nuclear self-sufficiency, Eletronuclear plans a gradual phasing-out of its Urenco orders, although the consortium will continue providing the service for at least another 10 years.

It also hoped to buy ultracentrifuges developed by the Brazilian Navy by the end of 1998, Fabricio said.

A plant to produce uranium pellets, which Brazil imports from the U.S. and other nations for use as fuel for Angra I and II, should start operations by the end of 1998.

The plant, based in Resende in Rio de Janeiro state, will also produce powdered uranium from the first quarter of 1999.

19) ARCTIC ICE IS NOW A THIRD THINNER THAN IN 1976
Times of London
23 November
Internet:
http://www.sunday-times.co.uk/news/pages/tim/98/11/23/timfgnfgn01002.htm l?2218746

GLOBAL warming may have triggered the unprecedented melting of sea ice in the Arctic, which has left the remaining ice up to a third thinner than it was 20 years ago.

Scientists studying sonar readings from British submarines fear that the thaw could lead to huge disruptions of the world's ocean circulations, including the Gulf Stream, which keeps Britain and

Western Europe relatively warm.

A failure or a deflection of the Gulf Stream - which keeps Britain's ports free of ice and ensures that winter temperatures are warmer than at similar latitudes in Canada and the former Soviet Union - would have a devastating effect on the climate and the economy.

Dr Peter Wadhams, a reader in polar studies at the Scott Polar Institute in Cambridge, and Dr Norman Davis, a senior research fellow at the institute, said yesterday that they had compared ice thickness measurements taken from HMS Trafalgar in 1996 with those made by submarines from 1976 to 1987.

The earlier readings showed that ice had thinned by 12 to 15 per cent over that 11-year period and Dr Davis said that the latest findings indicated that the ice was becoming more fragile.

"It is looking considerably thinner. We would not be surprised if the final results show a 20 per cent to 30 per cent difference," he said.

Ice thickness was, on average, six metres in the 1970s. The latest findings indicate that it might now be on average up to two metres thinner.The findings add to a growing weight of evidence that dramatic changes are occurring in the Arctic, which may be due to emissions of carbon dioxide and other gases.

The Arctic is crucial region. The melting and freezing of its sea water drives vast ocean circulations that affect the world's weather and climate in ways that scietists are just beginning to understand. The sea ice also reflects back into space heat from the sun that would otherwise be absorbed.

As a key area of the Greenland Sea freezes in winter, the resulting build-up of salty water sinks to the bottom, carrying with it huge quantities of dissolved carbon dioxide from the atmosphere. A slowing Of this process could accelerate the build-up of carbon dioxide and, as a consequence, speed up global warming.

Researchers in Norway said that satellite pictures had shown that the total area of the Arctic covered by ice had shrunk by 5 per cent over the past 18 years.

Dr Helge Drange, of the Nansen Environmental Remote Sensing Centre in Bergen, said yesterday: "It is an area the size of France, a substantial reduction in sea ice."

Dr Drange also said that the line at which warm Atlantic waters met cold polar waters had moved about 100km north over the past 20 years.

The findings came a week after 169 nations met in Buenos Aires to plan how to cut back emissions from industrial countries by 5.2 per cent by 2010. Countries agreed to exchange between them, after the year 2000, billions of dollars worth of green energy technology in return for credits to offset emissions at home.

Dr Davis said that researchers were now studying submarine readings dating back to 1967 to help assess whether the thinning was part of a natural cycle or a trend caused by global warming.

Dr Wadhams said that they were also keen to match their findings with readings from US submarines, which operate on the other side of the Arctic, overlapping with British ones near the pole.

The US data, which is now beginning to be being declassified, may include readings dating back to 1957 when Nautilus made the first sub-polar voyage.

20) SKY SPY SPOTS CLIMATE CRISES
BBC News
Thursday, November 19
Internet:
http://news.bbc.co.uk/hi/english/sci/tech/newsid_217000/217742.stm

Almost a fifth of the world's tropical rain forests at high risk, according to a group of international scientists who are monitoring the Earth's vegetation from space.

The scientists, members of the Global Rain Forest Mapping Project (GRFM), say the problem appears to be worst in parts of southern Asia. The GRFM, launched in 1995, involves teams from Japan, the USA, the European Union and Brazil.

It uses high resolution satellite imaging to look at vegetation patterns and to detect any changes.

The scientists aim to map all the world's rainforests twice a year, checking on natural events like floods and fires, and also on the planting of new forests.

The UN Framework Convention on Climate Change requires policies for tackling global warming to be based on scientifically reliable information and measurements.

One of the European scientists working on the GRFM, Alan Belward, says: "What we're particularly interested in is developing patterns of tropical forest distribution.

"We're interested in how biodiversity is being affected, and we're interested because the forests themselves have a major influence on global climate".

Besides future trends, the GRFM team has already made a disturbing discovery. It has found places where the forest is disappearing at up to 15% every year. Alan Belward describes that as "very alarming". He says: "We've found that these hot spots account for about 18% of the total area of the global tropical forest".

Nowhere is immune

"So it is a very significant problem. Every part of the world's forests is affected.

"But perhaps the highest risk area is continental south east Asia, and the least affected area central Africa".

The advantage of the GRFM's technique is that it is accurate, fast and effective. There have been earlier maps of global vegetation. But Alan Belward says they could not match what the GRFM is doing.

"They've come from all sorts of different sources", he says, "with different accuracy levels, and they've been collected over many years".

"With our satellite observations from space, we can get the whole situation in just a few weeks from a single standard data source".

And a further advance is the ability of some of GRFM's satellites to see what is on the ground even when there is thick cloud overhead.
21) $33 BILLION DAMAGE BLAMED ON EL NINO
ENS-Environment News Service
November 18, 1998
Internet: http://ens.lycos.com/ens/nov98/1998L-11-18-02.html

GENEVA, Switzerland, (ENS) - The 1997-1998 El Nino phenomenon is responsible for the deaths of 21,706 in 27 countries, and caused $33 billion dollars in damage, the World Meteorological Organization said Tuesday.

The figures are contained in a new report compiled by 450 weather experts from all over the world who met in Ecuador last week.

Presentations to the meeting built a picture of loss of life, destruction of shelter and food reserves, disruption of food production and transport systems, and sudden exposure to extreme health risk. High material and structural losses were experienced by developed economies, but poorer communities suffered loss of life.

The number of injured and people physically affected by El Nino reached 117,862,114. Nearly five million people were displaced and homeless because of the weather event.

El-Nino is caused by a rise of surface water temperatures in the southeast Pacific Ocean, off the coast of South America, causing cooler temperatures around Australia and New Zealand.

Red shows regions where water is warmer than normal and blue shows regions where water is cooler. El Nino is the large red area off the West coast of South America. (Map courtesy U.S. National Center for Atmospheric Research))

La Nina, most recently felt in the form of Hurricane Mitch that killed 9,550, happens when the water gets colder in the southeast Pacific, warming the Australasia region.

The First Intergovernmental Meeting of experts to review the 1997-98 El Nino event, called for by the United Nations' General Assembly, within the framework of the International Decade for International Disasters Reduction, was held in Guayaquil, Ecuador.

The Declaration of Guayaquil, adopted at the closure of the meeting, concluded that the global pattern of climate extremes associated with the 1997-98 El Nino "imposed continuing poverty on peoples and set back development in many parts of the globe."

During a speech at the opening ceremony the Secretary General of the World Meteorological Organization (WMO), Professor G.O.P. Obasi, emphasized that "planning, early warning and well prepared response strategies are major tools in mitigating loss."

He noted that each of these requires an essential core of climate information to be effective. Professor Obasi stressed that a much greater effort in upgrading the basic meteorological infrastructure in many countries will be essential to translate new scientific and technological capabilities into effective climate services for local communities.

The Guayaquil Declaration called for urgent actions to strengthen many intergovernmental programmes. As a high priority, delegates called for the development and implementation of new climate early warning systems, and the strengthening of existing systems.

The Declaration urged the development of regional networks and operational systems to improve monitoring of the climate system. It called for improved early warning for the prevention of natural disasters through capacity-building at regional and national levels.

The weather experts underlined the need for expanded research related to climate variability on seasonal to multi-year timescales to improve climate predictability.

22) SMOGGY HAZE CLOUDS CLIMATE DEBATE
The Age-Australia
Monday 23 November
Internet: http://www.theage.com.au/daily/981123/news/news6.html

Scientists have made a startling discovery: the greenhouse effect may be offset by the kind of disturbing white haze of pollution often noticeable over Melbourne and Sydney on smoggy days.

The haze has been found to reflect some of sunlight back into space, which counteracts some of the effects of global warming.

The scientists have discovered that the burning of fossil fuels produces small pollution particles called aerosols, which exert a small, but significant, cooling effect.

``In addition to this direct effect on climate, aerosols also affect the properties of clouds, because cloud droplets (which are like the droplets that comprise fog) prefer to form on small particles or `nuclei', rather than in completely clean air," said Dr Leon Rotstayn, a senior scientist of CSIRO Atmospheric Physics in Aspendale.

``The clouds that form in polluted air therefore contain more droplets than those that form in relatively clean air. So, the available amount of water is distributed over a larger number of droplets, which are smaller than those in clouds that form in cleaner air."

One reason for the cooling effect is that the clouds that form in polluted air are brighter than those that form in relatively clean air, so that they reflect more sunlight back to space.

Both theoretical calculations and measurements of real clouds show that the shift to a larger number of smaller droplets results in clouds that are brighter. A second reason for the indirect cooling effect is related to the formation of rainfall in these clouds.

``In clouds that are comprised of water droplets, rain begins to form when droplets collide and coalesce to form larger droplets, which eventually start falling as drizzle or rain," he said. ``In polluted air, where the droplets are smaller, more collisions between droplets are required for them to grow sufficiently large to form raindrops."

This means that pollution suppresses rain formation and causes the clouds to persist for longer, thus further increasing the amount of sunlight reflected back to space. This is called the ``cloud-lifetime effect".

Calculations performed by Dr Rotstayn suggest that the indirect aerosol effect becomes quite large when the ``cloud-lifetime effect" is included in addition to the effect on cloud brightness.

In fact, the indirect aerosol effect may be strong enough to substantially offset the warming due to the enhanced greenhouse effect. His findings are in broad agreement with calculations performed independently by a German group, who published their results last year.

But he is adamant that this does not mean we should disregard the threat of global warming. ``The cooling effect of aerosols is largely restricted to the more polluted areas, whereas the greenhouse gases are well mixed throughout the entire atmosphere," Dr Rotstayn said.

The results have important implications for the debate about whether global warming is ``really happening".

``Some critics of the greenhouse theory have argued that computer models overestimate the enhanced greenhouse effect, because the models suggest that the Earth should have warmed by more than the half a degree or so that has been observed during the last 100 years," Dr Rotstayn said.

``However, it now seems more likely that the reason for this difference is not that the models are too sensitive, but simply that important cooling effects such as the indirect aerosol effect have not been included in the models until now. In other words, it appears that the greenhouse effect is really happening; it has just been partially masked by these cooling effects."

But scientists' understanding of aerosol effects on clouds, and hence on climate, is still very limited. Only the effect of aerosols on low clouds, comprised of water droplets, has been considered so far in climate models.

High cirrus clouds comprise small ice crystals, and aerosols are thought to affect these clouds too, although these effects are even more difficult to quantify. There is also some evidence that soot may reduce the brightness of clouds when cloud droplets condense on these particles.

``So, we can expect the debate about climate change to continue for some time yet," Dr Rotstayn said.

23) ORGANIC FARMING MAY CUT CO2
ABC News
18 November
Internet:
http://www.abcnews.com/sections/science/DailyNews/co2_organic981118.html

LONDON, Nov. 18 - American scientists have come up with a novel way of reducing greenhouse gases that contribute to global warming-organic farming.

They say that natural farming is not only good for your health but also good for the planet because crops grown with organic fertilizer produce equivalent yields but much less carbon dioxide.

"This is important because right now we are facing a problem with CO2 and the potential impacts on climate, and we are in the process of signing a treaty and trying to work with other countries on a global scale," Laurie Drinkwater said in a telephone interview.

The ecologist and soil management expert at the Rodale Institute in Kutztown, Pennsylvania and her colleagues compared organic farming with conventional methods using chemical fertilizers in a 15-year study.

In a letter published in the science journal Nature today, the researchers said if organic fertilizer was used in the major maize/soybean growing region of the United States annual carbon dioxide in the atmosphere could be reduced by an estimated one to two percent.

May Help Obeying Kyoto Accord
Drinkwater said it was a significant contribution because industrialised nations agreed at the Earth summit in Kyoto last year to cut emissions of carbon dioxide by 5.2 percent below 1990 levels by 2008-2012.

In addition to producing less CO_2, the study found that organic farming also uses 50 percent less energy than conventional farming methods.

The researchers tested three maize/soybean growing systems. In one they used chemical fertilizer and the others involved organic alternatives, either manure or a variety of legumes used as fertilizers.

Drinkwater said organic farming will not solve the problem of global warming but it could help out in the short-term until more efficient and ecologically sound energy alternatives are found.

"The most important outcome is we were able to show that you can achieve comparable yields while also making positive contributions to several environment problems," she added

24) LOW ALTITUDE BATTERY-POWERED FLIGHT TESTS ARE UNDERWAY
BBC News
November 21, 1998
Internet:
http://news.bbc.co.uk/hi/english/world/americas/newsid_219000/219141.stm

The American space agency NASA is building a new fleet of solar-powered planes designed to patrol the upper atmosphere powered by nothing but sunlight.

They have unveiled a prototype of the new aircraft with a wingspan of more than 60 m in the Californian desert. Solar-powered planes have been tried before, but never on this scale. The plane is called Centurion and will fly higher and for longer than ever before. The giant remote-controlled planes are larger than a jumbo jet.

They will climb to 30 km above the Earth to the upper atmosphere - or stratosphere - far higher than other aeroplanes and cruise round the globe at a stately 30 kph.

Solar power means they will be the first aircraft to fly this high without polluting the surrounding air, a major advance when you realise that air travel is one of the dirtiest forms of travel.

Equipment on board will study the boundary between air and space, sampling the pure air from these heights for the first time. In the longer term, self-powered and remote-controlled planes like these could swarm through the upper atmosphere replacing some global surveillance satellites at a fraction of the cost.

25) POLLUTION RESEARCH CLEARS HURDLE IN CHINA
Reuters
19 September
Internet: http://www.planetark.org/new/news/19119808.html

GLENDALE, Calif. - Pollution Research and Control Corp. on Wednesday said the China Construction Bank has notified the company that all preliminary steps for financing a $5 million air quality project have been finished.

The project covers 11 cities in China, but in a statement the company said "a substantial group of additional cities" may want to join.

The company said it believes a final mandate letter from the China Construction Bank, which authorises the Ex-Im Bank to engage the project, is imminent.

Pollution Control also said it expects to receive a grant from the U.S. Environmental Protection Agency for assistance with the project, and it also has received a commitment letter from one company to raise between $1.1 million minimum and $1.7 million maximum through a private placement of debt.

If completed, the offering would provide the company with the necessary financing to complete the China project.

Pollution Research and Control primarily designs, manufactures and markets air-pollution measurement instruments and medical instrumentation.

ON THE WEB
26) CLIMATE CHANGE MEETING ADOPTS BUENOS AIRES PLAN OF ACTION
FCCC Press Release at http://www.cop4.org

Buenos Aires, 14 November 1998 - A two-week meeting of 170 governments concluded here in the early hours of Saturday morning by adopting a two-year Plan of Action to reduce the risk of global climate change.

The action plan will accelerate work on the 1992 United Nations Framework Convention on Climate Change and prepare the way for industrialized countries to take future action under the 1997 Kyoto Protocol. The Protocol's 5% emissions-reduction target aims to arrest and then reverse the historical upward trend in greenhouse gas emissions from these countries and put the world economy on a more environmentally sustainable path.

The plan establishes deadlines for finalizing the outstanding details of the Kyoto Protocol so that the agreement will be fully operational when it enters into force sometime after the year 2000. In addition to the Protocol's "mechanisms", it addresses work on compliance issues and on policies and measures.

In addition, the Plan of Action boosts work on transferring climate-friendly technologies to developing countries and addresses the special needs and concerns of countries affected by global warming and by the economic implications of response measures.

"After hard negotiation we have achieved a significant success," said the current Conference President, Mrs. Maria Julia Alsogaray, who is Argentina's Minister of Natural Resources and Sustainable Development. "This Plan of Action will fill in the missing details of the Kyoto Protocol and pave the way for its early implementation."

"We now have an action plan with political timetables," added Michael Zammit Cutajar, the Convention's Executive Secretary. "The crunch will come at the sixth session of the Conference of the Parties at the end of the year 2000."

The Kyoto Protocol's mechanisms were the subject of intense debate. Under the Protocol, an international "emissions trading" regime will be established allowing industrialized countries to buy and sell emissions credits amongst themselves. A clean development mechanism (CDM) and joint implementation (JI) programme will provide credits for financing emissions-avoiding projects in developing and transition countries.

To ensure that the mechanisms are effective and credible, the work plan may address such issues as the nature and scope of the mechanisms, criteria for project eligibility, compatibility with sustainable development, auditing and verification criteria, institutional roles,principles and guidelines, and so forth.

During the meeting, on 12 November, the US became the 60th country to sign the Kyoto agreement. The Protocol will become legally binding when at least 55 countries, including developed countries accounting for at least 55% of these countries' 1990 carbon dioxide emissions, have signed and then ratified. The developed country signatories to date account for 78.7% of the group's emissions. Two countries - Fiji and Antigua and Barbuda - have ratified.

While the issue of future commitments for both developed and developing countries was not on the agenda, informal discussions on this matter formed part of the meeting's backdrop. In his address to the participants, President Menem of Argentina expressed his country's intention to voluntarily adopt an emissions-limitation target for the 2008-12 period. Kazakhstan expressed its intention to join the group of industrialized countries and accept a legally binding target.

In response to the devastation wrought by Hurricane Mitch in Honduras, Nicaragua, and neighboring countries, the Conference adopted a resolution on solidarity with Central America. The resolution recognized the region's high vulnerability to climate phenomena and the need for further scientific research into possible links between climate change and extreme events.

The conference was attended by over 5,000 participants, including a Prime Minister, several Vice Presidents and Deputy Prime Ministers, 70 Ministers, and 1,500 government officials. Some 2,600 observers from intergovernmental and non-governmental organizations and 880 members of the press also attended the 2 - 13 November meeting.

The Buenos Aires COP was marked by the active participation of 150 non-governmental organizations representing business and environmental interests. Over 100 seminars and workshops were held, demonstrating the growing commitment of industry and civil society to the global campaign to minimize the risk of climate change.

The next session of the Conference of the Parties (COP-5) will be held in late 1999 in a location that is still to be determined. The COP's subsidiary bodies will meet in May/June 1999 in Bonn to prepare for that session.

Note to journalists: Official documents, including the Convention and the Protocol, are available via the Internet at http://www.unfccc.de , while press and other background information can be found at http://www.unep.ch/iuc/. For interviews or additional information please contact Michael Williams, Information Unit for Conventions, Geneva at (+41-22) 917 8242/44, fax (+41-22) 797 3464, e-mail mwilliams@unep.ch.

27) EARLY RELEASE OF THE ANNUAL ENERGY OUTLOOK 1999
US Energy Information Administration
The Early Release of the Annual Energy Outlook 1999. at http://www.eia.doe.gov/new.html, contains overview forecasts of the annual energy supply, demand, and prices through 2020 based on results of EIA's National Energy Modeling System (NEMS). The complete report will be released on December 17, 1998. According to the study, US Carbon emissions from energy use are projected to increase by an average of 1.3 percent a year through 2020, from 1,480 million metric tons in 1997 to 1,790 million metric tons in 2010 and 1,975 million metric tons in 2020 (Figure 7), due to rising energy demand, declining nuclear power, and slow growth of renewables. Relative to the 1990 level of 1,346 million metric tons, emissions are 33 and 47 percent higher, respectively, in 2010 and 2020. Projected emissions in 2020 are higher by 19 million metric tons than in AEO98, due to higher energy demand and higher levels of coal-fired electricity generation.

28) POLICY.COM-ISSUE OF THE WEEK
The Issue of the Week at
http://www.policy.com/issuewk/1998/1123_44/index.html
explores the international debate over how best to combat the deleterious effects of global warming. The edition focuses on key issues, global perspectives on climate change and the American debate on climate change policy.

29) STUDY ON REAL PRICE OF GASOLINE
International Centre for Technology Assessment's has recently released "The Real Price of Gasoline", a report that analyzes the hidden external costs consumers pay to fuel their automobiles at http://www.icta.org/projects/trans/index.htm. Such external costs push the price of gasoline as high as $15.14 a gallon, according to a new report. The
report examined more than 40 separate cost factors the group said it associated with gasoline production but aren't reflected by the price of gasoline at the pump. These external costs total up to $1.69 trillion per year, according to the report. The group points out that the federal government provides the oil industry with tax breaks to help U.S. companies compete with international producers, so gasoline remains cheap for American consumers.

30) CLIMATE CALAMITY: THE CO2 FACTOR
Asia Week

Internet http://www.pathfinder.com/asiaweek/current/issue/monitor.html

The weather in much of the world will become hotter over the next 50 years, shrinking food and water supply, delegates at a recent United Nations conference on climate change in Buenos Aires were told. Emission of carbon dioxide (CO_2), a greenhouse gas that contributes to global warming, will be a major culprit. The world produced 22.7 billion tons of CO_2 in 1996 - developed nations, as this chart shows, were among the biggest culprits - six times the estimated CO_2 resulting annually from deforestation. (See web site for chart).

Commentary and Analysis
26) KYOTO SHELL GAME
Washington Post
Friday, November 20, 1998; Page A29
Internet:
http://search.washingtonpost.com/wp-srv/WPlate/1998-11/20/036l-112098-id
x.html

By David G. Victor

The two weeks of marathon negotiations just concluded in Buenos Aires did little to slow global warming. Delegates who met there adopted a road map for implementing last year's Kyoto Protocol, but the road leads nowhere, because the protocol will never work.

The Kyoto Protocol sets targets and timetables for all 38 industrialized countries to regulate emissions of six gases that cause global warming. If the United States ratifies the pact, for example, it must cut emissions 7 percent below 1990 levels by the years 2008 to 2012. Similar cuts are required in Western Europe and Japan. Russia and Ukraine must freeze emissions at 1990 levels.

In practice, it doesn't matter where on earth the reductions actually occur. Once the gases are emitted, air currents carry them worldwide. Thus the Kyoto Protocol also envisions a new currency -- greenhouse gas emission permits -- that might be traded like pork bellies or greenbacks.

The logic for emission trading is compelling. Regulating emissions in relatively efficient Western economies could be difficult and costly. But elsewhere, the fruits hang low, easy to pick. Projects to refurbish inefficient power plants in Poland, for example, have cut greenhouse gas emissions at one-tenth the cost in the West. Trading would let investors earn valuable emission permits while the Polish hosts get new technology.

Without trading, the United States alone could spend more than $100 billion to meet its Kyoto target, an amount comparable to the annual American spending on all federal clean-air and clean-water programs. With trading, the cost is lower by half or more.

Politically, however, the Kyoto trading system will fail, because it is a shell game. Most permits are likely to be sold by Russia and Ukraine.

In these countries, combustion of fossil fuels, the main source of greenhouse gas emissions, has fallen steadily as the economies collapsed. Their emissions in 2008 to 2012 will be far below the Kyoto targets.

But declining living standards are not a sustainable way to slow global warming. When the economies rebound, so will emissions. Yet, by selling their excess permits in the interim, Russia and Ukraine might reap a $100 billion windfall while doing nothing to limit future emissions.

It's doubtful the Senate would ratify a $100 billion transfer that buys nothing. And absent America, no other major country will implement Kyoto's costly commitments.

Most disturbing is that Kyoto's enemies have attacked the protocol's strongest element. Automobile manufacturers, mining conglomerates and other carbon-spewing industrialists are bankrolling a venomous campaign to kill the Kyoto deal because it exempts developing countries. Last year the Senate resolved 95 to 0 to reject any pact that doesn't include meaningful participating by developing countries.

In response, the Clinton administration is wasting scarce political capital pressuring developing countries to make vague and irrelevant promises to regulate greenhouse emissions. Argentina was the first to cave; last week it announced it would pledge to slow growth in greenhouse gas emissions.

A more effective way to bring in developing countries is the protocol's "Clean Development Mechanism." Like emission trading, the mechanism allows industrialized countries to earn credits by investing in projects that lower the effluent from the developing world. Over time, developing countries can be urged to shoulder a rising share of the cost.

Swayed by special interests that want to block any global warming action, America's government has missed the point. It is only proper that developing countries get a free ride for now. The rich industrialized nations put this issue on the agenda, and they must lead. Per capita, the United States still vents greenhouse gases at 10 times the rate of China.

Thus, when the Kyoto pact is rejected in the Senate, the wrong lessons will be learned. Opponents of emission trading -- who fear it is a loophole for buying compliance rather than cutting emissions -- will claim that trading was unworkable. They will be wrong. A sensible trading system with fair permit allocations was never attempted.

Others will attribute Kyoto's failure to the industrialists' campaign. But that will wrongly result in even more pressure on developing countries to regulate emissions, which will deepen conflict between North and South and deadlock progress.

The first step out of this cul-de-sac is to recognize that the Kyoto Protocol, as it stands, is politically dead on arrival -- and should be. Russia and other reluctant countries must be compensated if we want them to participate in slowing global warming, but Kyoto's $100 billion is extreme. The only way to halt bogus permit trading is to reallocate the permits, and that requires renegotiating the whole Kyoto deal.

Second, full-blown emission trading should be attempted only when the necessary institutions are tested and in place. Particularly lacking are systems for monitoring and enforcement.

Creating a viable emission trading system is no less difficult than designing monetary union. Under the best conditions, a decade will be needed. The Buenos Aires road map allows only two years. That rapid timetable will yield a half-baked system that destroys the credibility of the trading concept for the future, when tighter and costlier regulations might be adopted and the benefits of trading would be greater.

Finally, future negotiations must focus on this key fact: Only new technology can solve the global warming problem. Technological change -- especially radical change, such as toward an economy that runs on hydrogen fuels and emits no greenhouse gases -- can't be planned according to Kyoto-like short-term binding emission targets. More effective agreements must reward long-term investment and be focused on policies that spawn new technologies, not just short-term emission trends.

America can lead the way by expanding the Clinton administration's plans for technological research and development. America also can organize credit guarantees or subsidies for the Clean Development Mechanism, which will preserve the incentive for firms to apply new technologies in the developing countries when the rest of the Kyoto pact dies.

The writer is Robert W. Johnson Jr. fellow for science and technology at the Council on Foreign Relations.

32) TOO MUCH HOT AIR
Jerusalem Post
November 15
Internet:
http://www.jpost.com/com/Archive/15.Nov.1998/Opinion/Article-1.html

Tortuous negotiations, insults, accusations, and marathon delaying tactics have made the World Climate Conference in Buenos Aires painful to watch. Under the shadow of Hurricane Mitch further to the north, and its reminder that more disastrously savage weather may the result of global warming caused by industrial emissions, failed to inject much sense of urgency into the squabbling environment ministers from 180 countries. The two-week conference is trying to put some teeth into last year's Kyoto conference, at which world states promised to curb emissions of the greenhouse gases, but declined to come up with figures and timetables.

Buenos Aires may bring some modest advances - frustrating because of the amount of work that it is taking to produce them, but better than nothing for a world that may be sliding complacently to climatic disaster. Much of the wrangling and delay at the conference has been led by Saudi Arabia, which wants to halt the entire effort to fight global warning because it fears huge losses if restrictions on fossil fuels are implemented.

The main row simmering in the background and occasionally exploding has been between the United States and representatives of the emerging nations. The US insists that these countries take on serious commitments to fight global warming before the Kyoto treaty is sent for ratification to the Senate. Poorer countries, vocally represented by India and China, say their priority is to feed their people and environmental tinkering is a hobby for rich nations. The developed countries offered them some consolation yesterday by promising to fund environmentally friendly technology and emissions tracking stations.

The most important anomaly in the discussions was laid to rest earlier when the US finally agreed to sign the Kyoto pact. As the greatest producer by far of the greenhouse gases that fuel climate change, the US was the last major developed country refusing even to sign the Kyoto agreement. The Kyoto agreement gave 2012 as the deadline for the major industrial nations to cut their greenhouse gases by 5 percent below 1990 levels.

But where concerned governments so far have failed most seriously is in translating the bureaucratic and scientific output of these conferences into something meaningful to ordinary people. Until everyone can be told how they can help with the battle in their homes and businesses, the fight against global warming is going to remain mostly hot air.

33) FINDING A THIRD WAY
Newsweek International
November 23, 1998
Internet: http://www.newsweek.com/nw-srv/printed/us/bz/bz0421_1.htm

By Vice President Al Gore

For decades, our nation's capital was home to an endless and stale debate about two great challenges: should we focus on strong economicgrowth and job creation, or should we take aggressive action to protect our air, our water and our precious open spaces? That was always a false choice. There is no higher priority for government than jobs and strong, sustainable growth. But over the long term, growth is not sustainable if it does not create strong, healthy and livable communities in which both families and businesses can thrive.

The key is not merely to balance the twin goals of economic growth and environmental protection, but to connect them--and to do so through innovation. For example, if the United States can lead the world in the estimated $400 billion market for technologies that clean up the environment, then we can protect our natural resources in a way that actually creates jobs and makes American industry more competitive.

That is the approach President Clinton and I have followed--and it is why we now have both the strongest economy and the cleanest environment in a generation. In particular, we have tried to work very closely with the automobile industry to encourage cleaner, more fuel-efficient cars.

Fortunately, industry is now beginning to lead the way. Earlier this year, automakers announced that they will voluntarily produce cars that are 70 percent cleaner by 2001, and unveiled plans to produce highly advanced hybrid and fuel-cell vehicles--at least twice as efficient as current vehicles. These steps will protect the health of millions of Americans, without costing a single job or adding a single page of government regulation.

At the heart of this progress is a fundamentally new kind of partnership. By joining with the Big Three in 1993 to create the Partnership for a New Generation of Vehicles, we set out to work cooperatively with Detroit to produce vehicles up to three times as efficient as today's--with no sacrifice in performance, safety or cost. We are making excellent progress.

Critical to this partnership is an understanding that, while we absolutely must meet public health challenges such as global warming, these challenges will be met principally by industry and labor, in ways that are consistent with competitiveness. That is why we have agreed with industry on the goals, but we have decidedly not tried to pick or direct the technologies. Instead, we created a competition so the best minds in industry, academia and our national labs could devise solutions.

My hope is that this will serve as a model for the kind of partnership we need across a broad range of issues--to move beyond the false choices and adversarial relationships of the past. Some of the most valuable exchanges we have had through the Partnership have been not in formal settings, but in the informal receptions Tipper and I have held regularly in our home with members of the Partnership's technical team. Researchers from the auto, aluminum, steel and oil industries and their spouses joined with government and academic scientists--many of whom had been working on the same issues for years, but had never met.

Together, we are finding a new way to meet our economic and environmental challenges. I find it especially encouraging that, just as President Clinton has signed the Kyoto Protocol that reaffirms America's commitment to meet the challenge of global warming, a growing number of corporations are announcing voluntary steps to reduce greenhouse gas emissions. Of course, the only real measure of progress will be the cleaner cars that begin to roll out of showrooms in a few years' time. But through targeted government investment and private-sector ingenuity, I am confident we will ride this market-driven wave toward a cleaner, healthier, more prosperous future.

34) YOUNG DON'T DESERVE HOTHOUSE
Toronto Star
November 15, 1998
Internet:

http://www2.thestar.com/thestar/back_issues/ED19981115/money/981115BUS01_NA-CRANE15.html

THE WAY to think about the threat of climate change is to visualize the kind of world today's 5-year-olds could inhabit when they are in their 50s.

According to Britain's Hadley Centre for Climate Change, it would be a world in which large segments of the Amazon rain forest have turned into desert, threatening the world with an even more rapid greenhouse effect. Some 100 million people around the world would be subject to coastal flooding as sea levels rise. An extra 170 million people would live in countries with extreme water shortages.

The deadly disease malaria would no longer be confined to tropical countries. World food supplies would be threatened by declining wheat and corn yields in the North American Midwest due to droughts.

That means we will put an enormous burden on future generations if we refuse to address the issue of climate change, if we are not prepared to make changes and sacrifices, today.

That is why opposition - from such business groups as the Business Council on National Issues and such corporations as Imperial Oil Ltd. - to Canada's signing the Kyoto agreement on global warming is irresponsible.

There is significant scientific agreement not only that temperatures are rising, with future threats to the planet, but that human activity - especially the burning of coal and oil - is contributing to climate change through the buildup of carbon dioxide in the atmosphere.

The purpose of the Kyoto Protocol, signed in December, 1997, was to take the first steps to deal with climate change by legally binding the richest countries to lower their 2008-2012 emissions to 5 per cent below 1990 levels. Canada agreed to lower its emissions by 6 per cent and the United States by 7 per cent from 1990 levels.

This is a huge challenge. The International Energy Agency estimates Canada's carbon dioxide emissions from energy use alone in 2010 will be 28 per cent higher than in 1990, assuming no new initiatives.

It's fair game for Imperial Oil or the BCNI to ask how Canada will achieve its targets. It is not enough for Environment Minister Christine Stewart to say simply she is ``optimistic."

While many in Canadian business bemoan the need to deal with the threat of climate change, some European companies, including British Petroleum and Royal Dutch/Shell, have adopted a more enlightened approach. Not only are they pledging major emission reductions in their own operations but Shell has invested $500 million (U.S.) to establish Shell International Renewables to develop alternatives to fossil fuels.

As Mark Moody-Stuart, chairman of the Royal Dutch/Shell group of companies, puts it: there are uncertainties about climate change but ``Shell believes there is sufficient evidence to support prudent precautionary action."

Imperial Oil rejects this approach.

It says Canada must not sign the Kyoto accord, claiming it would cost Canada $140 billion in lost Gross Domestic Product over a decade.

Imperial argues there are few opportunities for additional energy efficiency, except at much higher energy prices. It argues that any system of global emissions trading, which would allow Canada to help achieve its targets by reducing emissions in other countries at lower cost, would be hard to implement and if implemented would generate ``huge" international transfers of wealth.

It rejects even the precautionary argument that we should move to curb emissions while the science of climate change isn't as firm as everyone would like, saying if we do anything at all it should be voluntary.

To be sure, we will not reach our Kyoto targets without technological advances such as the fuel cell, investments in public transit, new energy efficiency standards and an international emissions trading system, as well as some lifestyle changes.

Imperial's alarmist scenarios are not unlike those businesses make whenever change is proposed.

Anti-pollution measures to eliminate leaded gasoline, to limit emissions producing acid rain and to require fuel efficiency standards and catalytic converters in automobiles were all initially opposed by industry because they would impose costs. Yet we are better off through these changes.

We should not underestimate the challenges we face in meeting our Kyoto targets. But if we adopt the defeatist attitude of the BCNI and Imperial Oil, today's 5-year-olds could find themselves - and their children - living in a much nastier world.

35) A WARMING TREND
Washington Post
Sunday, November 15, 1998; Page C06
Internet:
http://www.washingtonpost.com/wp-srv/WPlate/1998-11/15/148l-111598-idx.html

THE DOGMATIC divisions of the climate change debate are giving way to practical progress. The business community, united not so long ago against any measures to combat global warming, increasingly is playing a constructive role. Now developing countries, which also had maintained a defiant and unhelpful cohesion, are beginning to look for ways to cooperate and move forward, too. All of this makes it both more urgent, and more possible, for the United States to improve its record.

Human activity -- driving cars, burning coal, manufacturing -- produces carbon dioxide and other gases that increasingly are accumulating in the atmosphere. Most scientists now agree that this accumulation over time will alter the earth's climate, very likely with destructive if still unpredictable consequences. Rapid warming, coastal flooding and more severe droughts and storms are some of the unpleasant possibilities. The case for reducing greenhouse gas emissions, without taking radical or impoverishing steps, is strong. Fortunately, many of the technologies that will prove useful to combat climate change have other benefits as well, in energy efficiency and pollution prevention.

Last week the United States and other nations sent representatives to a conference in Buenos Aires where they debated how to implement the Kyoto treaty, which commits industrialized nations to reduce their emissions over the coming decade. The task of dividing up the atmosphere, or responsibility for it, is understandably complex, not to be concluded in one or two or five meetings. But the deliberations were gratifyingly businesslike and free of ideological posturing. Two courageous developing nations, Argentina and Kazakhstan, broke ranks to say that they, like the rich countries, will accept binding limits on gas emissions, though not in a way that will restrict their opportunities to prosper. Others, including Chile, Mexico and South Korea, are said to be considering comparable steps. Truculent oppositionists such as China, India and Saudi Arabia find themselves more isolated.

The Clinton administration last week signed the Kyoto treaty, a symbolic step intended to strengthen its international bargaining position. The Senate won't ratify the treaty, and the administration won't submit it until more developing countries sign on. Rightly, the United States also continues to lobby for rules that give each country maximum flexibility in deciding how to reach its target and that allow room for free-market mechanisms to work.

But American pleadings abroad will fail unless matched by progress at home; the United States after all remains the world's biggest source of greenhouse gases. One major advance would be legislation, such as that sponsored by Sens. Mack, Chafee and Lieberman, to encourage early, voluntary action by U.S. companies. Congress so far has been mostly an impediment to progress. But the Just Say No caucus can no longer rely on a like-minded industry alliance as a crutch, nor on a recalcitrant developing world bloc as an excuse.

36) CLIMATE: BUSINESS GRAPPLES WITH POTENTIAL CHANGES
Financial Times
November 11 1998

A year ago, many US businesses rejected the idea that there was a need for any action on climate change. Now, as diplomats gather in Buenos Aires for climate change negotiations, the emphasis of some prominent companies - including car, oil and chemical businesses - is on how to deal with it.

"The momentum has shifted to companies that accept the science. There is no question about it," says Eileen Claussen, executive director of the Pew Centre on Global Climate Change. This organisation, which is calling for US leadership on the issue of climate change, was established in May with members that include Air Products and Chemicals, Baxter International, Boeing, Enron and 3M.

The Buenos Aires meeting is an attempt at fleshing out the treaty agreed last December in Kyoto, Japan, at which developed countries made a legally binding agreement to cut back their emissions of greenhouse gases from 1990 levels by 2010.

"There is clearly a move. Companies are really thinking hard about what all this means," says Paul Faeth, programme director of the World Resources Institute, an environmental think-tank that has teamed up with General Motors, Monsanto and British Petroleum in a collaboration called Safe Climate, Sound Business (SCSB).

The SCSB argues that there is no inherent conflict between economic development and a healthy environment. "For proactive leaders there are major business opportunities in meeting the climate change, if the policy environment is right," it says.

The SCSB initiative states that "climate change is a cause for concern and precautionary action is justified now". But, among its members there are a wide range of views.

BP, for example, has set itself an internal target of cutting greenhouse gas emissions by 10 per cent by 2010, exceeding the Kyoto average. GM, however, is opposed to the Kyoto protocol and remains a member of the Global Climate Coalition (GCC), a vociferous opponent of taking action on stabilising greenhouse gas emissions on present scientific evidence.

GM argues: "We engage in dialogue with groups that have differing points of view in order to learn and to contribute to the discussions." Unless it participates in the debate on climate change, GM fears that "command-and-control" regulations would be imposed on it.

One of the main goals of groups such as Pew and SCSB is to influence policy. The Pew Group, for example, is pressing for congressional legislation on a domestic "early action" programme that will ensure that companies get credit for greenhouse gas reductions before an international framework is in place.

But companies are also mindful of the impact that membership of these organisations has on their public image. For multinational companies, this can present a difficult dilemma, since attitudes of customers differ across the world.

The GCC has dismissed the launch of groups such as Pew and SBSC as an exercise in public relations. "Pew and SCSB are viewed as progressive and constructive. But, with some exceptions, there is no difference between what we say and what they say," says William O'Keefe, former chairman of the GCC.

"A lot of people are trying to create a false momentum by saying that American business is now taking climate change seriously," he says.

For once, many environments would agree with Mr O'Keefe. The greening of American boardrooms will be demonstrated by deeds and not words. Butas Mr Faeth of WRI argues, sooner or later there will be action on the climate because "companies have a responsibility to shareholders" to be ready for it.

37) KYOTO PACT PUTS US AT RISK
Journal of Commerce
20 November
Internet: http://www.joc.com/issues/981120/e1dit/e37439.htm

BY DANA JOEL GATTUSO

Developing countries have essentially thrown cold water on proposals that they implement voluntary controls to reduce their greenhouse gas emissions. Such was the message from the recent U.N. conference on global warming in Buenos Aires. This leaves all the heavy lifting under the Kyoto global-warming pact to developed countries like the United States.

The U.S. Senate isn't likely to ratify the agreement any time soon, but that didn't stop the Clinton administration from signing the Kyoto Protocol a few days ago.

If the Kyoto treaty is implemented, the United States must reduce greenhouse gas emissions 7% below 1990 levels by the year 2012, an overall reduction of 37%.

What would such drastic measures mean to Americans? Energy production and usage would be severely rationed in order to reach the required emissions targets. Because any rationing of goods or services pushes up prices, the cost of energy would escalate.

The White House says the impact would be minimal, but numerous economic reports discredit that claim. A study by the U.S. Department of Energy, no less, projects that the typical American family could expect to pay an additional $335 to $1,740 a year in energy bills by the year 2010. At the gasoline pump, prices would climb anywhere between 14 cents and 66 cents a gallon.

The nation's gross domestic product, the agency says, would fall by $96 billion to $397 billion, a reduction of more than 4%.

Some people argue that ballooning prices, the loss of millions of jobs and a weakened economy is a necessary price to pay for saving the world from impending doom.

But responding last spring to an appeal by a former president of the U.S. National Academy of Sciences, Frederick Seitz, 18,000 scientists publicly rejected the notion that if global warming exists at all, it is the result of human action.

Sadly, we are the victims of an age in which pseudoscience and media hype dictate costly environmental policies. One of the most vocal enthusiasts of the theory that we're heading for an apocalypse caused by global warming is Stephen Schneider, a scientist and senior fellow at Stanford University.

"Scientists should consider stretching the truth to get some broad-base support, to capture the public's imagination," he said in an interview with Discover magazine in the early 1990s.

"That, of course, entails getting loads of media coverage," he said. "So we have to offer up scary scenarios, make simplified, dramatic statements and make little mention about any doubts we might have."

Even assuming for a moment that global warming is occurring and is a serious threat and can be stopped, there can be no change from the world's present course without the full commitment of Third World countries.

Collectively, their emissions of greenhouse gases are already outpacingthose of the developed nations. The emissions of China and India areexpected to outpace those of the industrialized nations within the next decade. But this reality is not moving the world's two most populous nations to the negotiation table. China, which is projected to be the world's largest emitter by 2015, not only refuses to reduce its emissions levels but wants the words "voluntary participation" struck from the Kyoto Protocol.

The Kyoto pact is wrong on all counts. There is no conclusive scientific evidence of global warming or of human activity as a contributing factor.

But in the event that warming is occurring and is stoppable, the protocol will not come close to achieving its stated goal. The world's largest emitters will continue in their ways while the United States would be left to bear the burden.

President Clinton was wrong to sign this nation's rights away. Before we accept the doomsayers' apocalyptic assumptions, let's devote more time to real science. We can't afford not to.

Dana Joel Gattuso is director of research at the Pacific Research Institute, a San Francisco-based public policy organization. This article was distributed by Bridge News.

37) CARMAKERS ACCEPT ROLE IN CHANGES TO CLIMATE
Detroit Free Press
November 20
Internet: http://www.freep.com/business/qbuenos20.htm

There no longer can be any doubt: Global warming has moved from a crackpot concept to a top topic of international negotiations. What nuclear disarmament was to diplomacy during the last 20 years, climate change will be to diplomacy of the next 20 years.

And, like it or not, climate change talks like those that ended last week in Buenos Aires are expected to significantly shape the automobile industry here and abroad.

Michigan's signature products -- cars and trucks -- are key culprits in climate change. The auto companies are among many corporations worldwide scrambling to develop new ways to power vehicles that consume less fossil fuel such as gasoline. Burning these fuels creates carbon dioxide, the most important of the so-called greenhouse gases, which can trap heat in the atmosphere and lead to global warming.

"Many companies in all sorts of industries see the international community moving on this topic," said Paul Faeth of the World Resources Institute, a nonprofit environmental think tank in Washington, D.C. "They're trying to position themselves strategically to be ready when and if something happens" with climate change regulation.

Since the start of the industrial revolution 200 years ago, the amount of carbon dioxide in the atmosphere has increased by 30 percent.

An international group of hundreds of prominent scientists declared two years ago that higher levels of carbon dioxide in the atmosphere are likely to raise Earth's overall temperature two to six degrees Fahrenheit by 2100. Although some scientists disagree that climate change is happening, they are an increasingly small though vocal minority.

Worldwide, cars account for about 15 percent of the fossil fuel that people burn. David Cole, director of the University of Michigan's Transportation Research Institute, sees a significant shift in the auto industry's attitude toward climate change in the last year or so.

"It was really quite a transformation," Cole said. "The attitude now is, rather than complain about it, we might as well develop competitive technology."

Michael Oppenheimer, chief scientist with the Environmental Defense Fund in New York, added, "It's good corporate planning. If you don't play the game, you can't help write the rules."

Although auto companies sent representatives to Buenos Aires to try to delay forced reductions in the use of fossil fuels, "from a technology standpoint they're busting their tail," Cole added.

Replacing gasoline-burning engines with battery-powered electric motors has the potential to greatly reduce emissions of fossil fuels. Making electric-powered cars affordable is the challenge.

"The electric drive train may become cost-competitive with the power train in the traditional internal combustion engine within three or four years," Cole said. The secret will be making solid state switches more efficiently.

At General Motors Corp., Cole added, researchers are working on a fourth-generation electric power train that is one-eighth the cost of the first-generation one in the company's EV1 electric car, produced near Lansing and leased in California and Arizona.

In the weeks leading up to the recent climate talks, Ford Motor Co. Chairman William Clay Ford declared his intent to "ride the wave" of environmental change. GM entered into an agreement with the World Resources Institute, British Petroleum and Monsanto to voluntarily monitor and reduce their corporate carbon dioxide emissions.

"Advanced technologies are on the agenda for every automobile company in the world, there's no question about it," said Dennis Minano, GM's vice president for public policy and chief environmental officer. "And there's nothing like competition to drive that."

As Oppenheimer, author of a book on climate change, put it, "There is change coming, maybe in 10 years, maybe in 15. The auto industry can really be at the cutting edge and lead the way to solving this problem because people are driving cars more and more around the world. It would be good for Michigan. It would be good for Bangladesh. It would be good for everybody."

The Clinton Administration's decision last week to sign the climate change protocol negotiated a year ago in Kyoto, Japan, was another sign that regulation of greenhouse gases is moving forward -- slowly. Opposition to the treaty remains strong in the U.S. Senate, which must ratify the treaty before it takes effect here.

Key senators insist that the Kyoto protocol will not be ratified until developing nations agree to do their part. U.S. Rep. Joseph Knollenberg, R-Mich., was in Buenos Aires and added to the chorus of complaints about the protocol.

As it now stands, the 58 industrialized nations signing the protocol have agreed to reduce their emissions of carbon dioxide. The U.S. target is to cut average emissions in 2008 to 2012 by 7 percent from 1990 levels.

Environmentalists emphasize that new businesses might be created and talk darkly of the dire consequences of doing nothing. Business leaders talk about the millions of jobs that would be lost, estimating that, unfettered by climate controls, the U.S. economy would be using 30 percent more fossil fuel in 2008 than it had in 1990. They also point to uncertainties about how such things as clouds might affect climate. They argue that higher levels of carbon dioxide could increase the growth of some crops.

Frank Maisano, spokesman for an industry-sponsored group called the Global Climate Coalition, calls the protocol "a very costly deal" that would be difficult if not impossible to complete and monitor.

With its robust economy and cheap gasoline, the United States emits far more carbon dioxide than any other country. The 260 million people in this country release as much carbon dioxide to the atmosphere as the 3.2 billion people in the 135 least-polluting countries.

Michigan alone emits as much carbon dioxide as about 80 developing countries, according to the National Environmental Trust, another Washington think tank.

One significant development during the two weeks of climate talks in Buenos Aires: Argentina and Kazakhstan broke with other developing nations to agree to voluntary reductions of carbon dioxide emissions. "A lot of the developing nations are willing to deal," Oppenheimer said. "The just say no days are over. This bodes very well for the treaty process."

39) A CHANGE IN THE ATMOSPHERE
BBC News
November 18, 1998
Internet:
http://news.bbc.co.uk/hi/english/special_report/1998/10/98/global_warmin
g/newsid_216000/216746.stm

Former UK environment minister John Gummer, who was at the global warming summit in Buenos Aires, writes for BBC News Online about what it achieved.

The Buenos Aires Conference is over. Was it a success?

Well, yes in the fundamental sense that the process initiated in Kyoto is now defined and under way.

Of course many of us would have liked to see more. We wanted a faster track to dealing with the world's emissions, not least because the longer we leave it the more difficult it becomes.

Yet the success is undeniable.

US engages

First there is no doubt that the United States is at last engaged.

There is a long way to go before ratification by the Senate but, if we keep the pressure up against the world's worst polluter, it will happen.

The second achievement is that the Third World is now seriously on board.

The long process of solving a global problem in a way which is fair to the poor has begun. The Clean Development Mechanism will enable developing countries to agree with industrial nations on projects to reduce emissions which will benefit them both.

Practical means of transferring technology have been established. It is no longer hot air.

Progressives take the lead

Yet besides the actual agreement with its work plan and timetable, there is another remarkable achievement.

The change from Kyoto was radical.

Instead of the weight of industrial participation coming from those who wanted no progress, in Buenos Aires it was the progressives who set the pace.

BP was crucial in this shift. By leaving the Global Climate Coalition - the lobby group for the fossil fuel industry - it opened up the way for Shell and soon Amoco to follow.

The dinosaur companies led by Exxon (Esso) have become yesterday's men. So too the joint announcement of new commitment by BP, General Motors, and Monsanto helped to set the scene for industrial engagement and pushed the agenda on.

All this is painfully slow. Yet it has never been attempted before. The rich are having to accept the poor as partners as well as taking full responsibility for the problem they have created.

'Whole atmosphere changed'

For the first time the unfair use of resources has been faced. Even the US has begun to ask by what right 4% of the world's population can burden the planet with 25% of its pollution.

Huge nations like China and India have begun to recognise that African and South American countries see that they can benefit from the process.

That means that even their attitude is softening.

Before Kyoto all this seemed a long way off. Now the whole atmosphere has changed.

We are on our way and Buenos Aires has kept up the momentum. That is a real success but its extent will only be revealed as the timetable and work plan unfolds this year.

John Prescott has a key role in seeing that no time is lost and Britain must lead the EU to insist upon progress.

40) FORECASTS OF TREATY'S BURDEN ON AGRICULTURE
Farm Bureau News
November 9,1998
Internet: http://www.fb.com/news/fbn/html/grim.html

With 11 days of arduous negotiations scheduled to wrap up at the end of this week, it is still unclear what the results of international global climate change talks taking place in Buenos Aires, Argentina, will mean for U.S. farmers and ranchers.

Since last week, representatives from 160 nations have been entrenched in often-tense debate over how to map out the commitments to cut greenhouse gas emissions made during talks in Kyoto, Japan, last winter. Host country Argentina caused a stir early on by suggesting that developing nations should commit voluntarily to curbing emissions--a move that was blocked almost immediately by China and other emerging economies. Under the Kyoto agreement, only a handful of developed countries are required to cut back on greenhouse gas production, even though emissions from India and China--nations exempt from pollution caps--are predicted to outpace those of the United States within the next 20 years.

There was also significant opposition by the European Union to a proposal backed by the United States, Japan, Canada and Australia to allow unlimited "emissions trading," whereby signatories to the treaty could purchase pollution "credits" from nations that had surpassed their reduction targets. The trading program would represent a less costly alternative to scaling back emissions domestically. Delegates in Buenos Aires also took up the issue of rewarding industrialized nations for helping developing nations acquire cleaner energy technology.

Meanwhile, the American Farm Bureau Federation has pointed to two recent studies on global warming that indicate that the Kyoto Protocol's guidelines for curbing emissions will have devastating financial consequences for America's farmers and ranchers.

At a news conference held recently in Washington, D.C., Michigan Farm Bureau President Jack Laurie said that the current climate change treaty "will simply break a lot of family farms."

Laurie pointed to two studies released recently by The Heartland Institute, a non-profit research organization, and Sparks Companies, an agricultural consulting company, that indicate that even conservative forecasts spell trouble for agriculture.

The Heartland Institute study maintains that farmers' incomes would be slashed by one-quarter to one-half, depending on the rates at which fossil fuels are taxed to achieve the pollution cuts called for by the treaty. The study also predicts that the minimum 25-cent-per-gallon gas tax hike anticipated by the Clinton administration would force farm production costs to increase by more than $10 billion.

The Sparks Companies study also signals red flags for agriculture. The study shows that the higher energy costs expected to ensue from treaty compliance would force many small family farms out of business, especially since American farmers and ranchers would be rendered less competitive in the global marketplace. Sparks forecasts that U.S. agricultural exports could suffer a loss as great as 7 percent if the Kyoto Protocol is implemented--an ominous prediction in a world where sluggish farm exports this year led to a severe economic crisis among many American producers.

Laurie also commented on one of the most contentious debates at Buenos Aires: the role of developing nations in preventing global warming.

"When you excuse developing nations from the responsibility of reducing greenhouse gases--and they will be producing more than one-half of the world's emissions in less than 20 years--I seriously question the commitment to addressing global climate change," Laurie said.

With attempts to get developing nations onboard the treaty recently squelched, and guidelines for possible emissions trading still up in the air, it will be up to the administration and the Senate to shape the United States' obligations under the treaty--and to determine how heavy a burden will be carried by farmers and ranchers.

****

Chad Carpenter
International Institute for Sustainable Development (IISD)
New York, NY
Tel: + 1 (212) 643-9599
Fax: +1 (212) 665-1788
E-mail: chadc@iisd.org
Internet: http://www.iisd.ca/linkagesLinkages Journal: http://www.iisd.ca/linkages/journal/