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1) US EPA ASKS BUSINESS TO JOIN GLOBAL WARMING FIGHT.

Reuters

7 December

Internet: <http://www.planetark.org/new/news/07129813.html>

U.S. Environmental Protection Agency Administrator Carol Browner Wednesday asked business leaders to consider voluntary efforts to curb greenhouse gas emissions, even as the issue of global climate change remains a subject of heated debate. Browner spoke before a National Association of Manufacturers conference, marking the first time a high-level Clinton Administration official addressed a business trade group since the U.S. signed the Kyoto climate change treaty.

In November, the White House authorised the Kyoto signing, but President Clinton has not submitted the agreement for Senate ratification as the deal faces strong opposition from congressional Republicans and industrial state Democrats. The administration agrees with the view held by many of the world's scientists that greenhouse gases emissions are at least partly to blame for the earth's warming, which poses severe threats to the environment and public health.

Treaty opponents doubt the science used to substantiate what would be a radical shift in the world economic structure, and point to the estimated loss of millions of American jobs and businesses if the nation were to meet emissions targets. Under the Kyoto pact, industrial nations must cut heat-trapping emissions from burning fossil fuels by an average of 5.2 percent below 1990 levels in the period 2008-2012.

Browner applauded British Petroleum for taking the lead on setting goals for emissions cuts in their own operations, and said more companies are joining the effort. "I would hope that it will be possible to have discussions about components of this issue - for example emissions trading credit programme, early credit for companies who do something sooner rather than later - while we still debate the science ...," Browner said. "I would hope that there is a way to look at some of these issues in the short-term, find some common ground," she said.

Finalising the Kyoto pact into a workable arrangement lagged during November climate change talks in Buenos Aires. The U.S. 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 European Union and other nations scoffed at the idea, saying the U.S. must work harder to cut their actual emissions, and not simply buy out of the treaty.

Browner said the issue of international caps, emissions trading and other disputed parts of the climate change debate should not delay early action by U.S. manufacturers, saying the risk of not doing anything is far greater than waiting. "Where people want to make voluntary commitments, we want to look at how to give them credit. We'd like to encourage voluntary behaviour," Browner said. Legislation has been offered in the House and Senate on so-called early action credit programmes.

2) EAGERLY, TOKYO JUMPS INTO EMISSIONS TRADING

Inter Press Service

December 7, 1998

Internet:

<http://businessjournal.netscape.com/network/export/stories?template=bf4.ft&story=x1204510.1ps&topic=472&date=19981207>

TOKYO - Japan is gearing up to enter the lucrative business of trading in greenhouse gas emissions, prompting experts to predict that the world's second richest country will soon become a leading player in this trade.

"Japanese companies have the money and expertise to put them into the forefront of a new business called environmental trading, a business that is growing attractive for it offers a practical solution towards reducing pollution," says Naoki Matsuo of the Institute of Global Environmental Strategy, a think tank set up in January under the environment agency.

Russia features high on plans by Japanese business to cash in on emissions trading, because as a developing country Russia's standards for cutting the production of greenhouse gas emissions are much lower. This scheme allows rich nations to pay countries producing less greenhouse emissions, in exchange for bits of their quotas for producing carbon dioxide, the main heat-trapping gas produced by the burning of fossil fuel.

This trade in emissions -- which some call equivalent to buying the right to produce more harmful greenhouse gases -- was approved at the third meeting of parties to the United Nations framework convention on climate change, in Japan in December 1997. Environmentalists say Japan will also start looking into the Asian market under another U.N. agreement, called the Clean Development Mechanism (CDM), that allows developing countries into the emissions trading market.

"Under the CDM, developed countries can start projects in developing countries to earn credits for themselves and developing countries. In addition, the system allows the credits to be traded with rich countries which is what Japan is aiming for," explains Yurika Ayukawa of World Wildlife Fund Japan.

Officials see emissions trading as a way of allowing Japan to meet targets for reducing greenhouse emissions, while reducing the economic burden on local companies. By "buying" emissions, Japan can achieve its

carbon dioxide reduction target faster than waiting for cuts gained through reductions at home or joint-implementation projects, they say.

No official figure has been given, but environmentalists quote some studies as saying it would cost Japan around \$20 to reduce per of tonne of carbon dioxide if traded with Russia, compared to around \$200 when achieved internally. "Against such a backdrop we can see why carbon dioxide trading holds a huge attraction to the Japanese government and Japanese companies," says Ayukawa.

Japan's carbon dioxide emissions have grown by 10 percent since fiscal 1990. Businesses that promised voluntary reduction targets said this month that 28 industries recorded emitting 133 million metric tonnes of carbon dioxide. Thus, they have set back target dates for reducing such emissions from 2000 to 2010. The emissions trading scheme with Russia was proposed by former Japanese prime minister Ryutaro Hashimoto when he met President Boris Yeltsin in April, under an economic pact that includes the reduction of greenhouse gas emissions.

Japanese firms are expected to invest in Russian projects to cut emissions at home, and subsequently count the reductions as part of Japan's. Japan has committed itself to an emission target reduction of 6 percent from 1990 levels between 2008 and 2012. Russia, owing to its lower level of economic development, is required only to maintain emissions at 1990 level by that period. It has room to spare in meeting its quota of greenhouse emissions.

"Japan is looking at Russia and the Ukraine because of their potential. A huge country like Russia has much to offer when it comes to buying carbon dioxide quotas because of its low emissions and large quota," explains Matsuo. The Ministry of International Trade and Industry (MITI) has a budget of \$18.5 million for this year to carry out feasibility studies in Russia.

The New Energy Development Organization, a firm affiliated with MITI, has been set up to monitor the trade in emissions. This includes not only trading emissions for cash, but also developing joint implementation projects that require Japanese environmental technology toward reducing global warming in Russia, in return for credit for Japan.

For a start, Japanese companies, such as electrical and gas firms, will help solve problems of ageing Russian oil refineries. They will also help the country move away from industries that produce harmful emissions and encourage the use of gas instead of fossil fuel. Major Japanese trading companies are already involved in the sale of carbon dioxide with Russia, acting as the go-between the buying and selling companies.

But while emissions trading comes in handy for the government, environmentalists are not in the least happy. They point out that emissions trading with Russia does not mean lower carbon dioxide production, but only shifts it to a low energy policy. Critics also see holes in emissions trading, which could be implemented by rich

countries on assumptions that can actually increase carbon dioxide output. Ayukawa adds that the existence of emissions trading does not mean governments and communities can rest easy on developing low-polluting, renewable energy like solar and wind power.

Besides, green groups say, global warming can be stopped only through reductions on the part of the biggest polluters like the United States, which had proposed the emissions trading scheme. Activists fear that emissions trading shifts the focus on trading, rather than on projects that aim for actual and definite reductions in greenhouse gas production.

Yuri Onodera of Friends of the Earth Japan says pressure from powerful electric and oil corporations -- to preserve their commercial interests -- are pushing Tokyo to support emissions trading as the best way to meet the country's reduction targets. "It's business as usual even when it comes to global warming," he says. But Matsuo says it is "nonsense" to go along with green groups, supported by the European Union, which call for domestic reductions before trading. "They are just not practical because reductions at home are very difficult and not cost-effective. The policy must focus on reduction both at home as well as with other countries," he explains.

3) IEA CALLS FOR NEW POLICIES TO CURB CLIMATE CHANGE

Reuters

Dec 4

Internet: <http://biz.yahoo.com/rf/981204/5p.html>

WASHINGTON, - World energy demand and greenhouse gas carbon emissions will grow sharply in the next 20 years if major policy changes are not enacted by national governments, the International Energy Agency said on Friday. Greenhouse gases are blamed by many scientists for trapping heat in the earth's atmosphere, helping to cause a global warming trend that could radically alter the world's environment and trigger a slew of health problems related to increased heat and pollution.

In a new report, the IEA disclosed the path that future energy demand and supply would take if climate commitments made in the Kyoto Protocol were not instituted. Without the required policy changes, energy demand will grow 65 percent between 1995 and 2020, and carbon emissions by 70 percent, the IEA said. Two-thirds of the increases could occur in China and developing countries, the IEA predicted.

Under the pact negotiated in Kyoto, Japan, last December, industrial nations must cut heat-trapping emissions from burning fossil fuels by an average of 5.2 percent below 1990 levels in the period from 2008 to 2012. Using 1990 as a base, instead of 1995, the IEA report said world greenhouse gas emissions could rise 75 percent above the levels the Kyoto treaty commitments are based.

“There are many possible combinations of energy saving and fuel substitution that would meet the Kyoto commitments. But all involve large deviations from past energy trends. Major new policies and measures need to be put into place urgently by governments to meet the

Kyoto objectives," the IEA said. In November, the U.S. signed the Kyoto treaty, but President Clinton has not submitted the agreement for ratification by the U.S. Senate, as the deal faces strong opposition from congressional Republicans and industrial state Democrats.

Talks held last month in Buenos Aires to finalize the accord stumbled on Washington's desire to establish a system of trading in pollution allowances, and the lack of an agreement on how developing countries, like China and India, would curb their own carbon emissions. European Union nations and others want the U.S. to cut their actual emissions, and not simply buy out of the treaty.

Agency projections show fossil fuels are expected to meet 95 percent of additional global energy demand from 1995 to 2020, with only marginal changes in the mix of oil, natural gas and coal usage. Output from nuclear power plants is seen remaining stable to 2020 as the commissioning of new facilities broadly matches plant retirements. Hydropower growth is expected to be limited by the lack of good sites and environmental considerations.

"Electricity generation from renewable energy sources is growing fast, but without post-Kyoto policy changes, it will still represent less than 1 percent of world electricity generation by 2020," the IEA said.

The agency suggested that new designs for less costly nuclear power plants, acceptable long-term solutions for radioactive waste disposal and a reduction in the unit cost of renewable fuels -- like wind and biomass -- are needed.

The IEA said world oil production from conventional sources could peak during the period 2010 to 2020, but said there would be no shortage of liquid fuels since reserves of unconventional oil are large. "The oil-importing countries' dependence on supplies from the Middle East will increase until liquid fuels from unconventional sources -- shale oil, tar sands, conversions from coal, biomass, gas -- begin to play an important role as 2020 approaches," the IEA said.

4) STUDY: LAND USE AS IMPORTANT AS EMISSIONS IN CLIMATE SHIFTS

Boston Globe

12/09/98

Internet:

http://www.boston.com/dailynews/wirehtml/343/Study_Land_use_as_important_as_emi.shtml

SAN FRANCISCO (AP) - Intensive farming, logging and other landscape changes play a major role in the world's climate, say scientists who also report that the 20th century is the warmest in 1,200 years.

Wholesale changes in the land coincide with rising temperatures and rainfall shifts in a role equal to that of the usual suspect of global warming - industrial pollution from factories, power plants and traffic. The conclusions, discussed Tuesday at the meeting of the American Geophysical Union, were based on computer model simulations and field observations across the globe, from South America to Africa to Florida.

The findings suggest that international guidelines under negotiation to

control climate change by limiting industrial emissions may also need to target farmers, loggers and developers. "Land use is a significant contributor to climate change," said climatologist Jonathan Foley of the University of Wisconsin. "It's as important as what you do to the climate when you double carbon dioxide in the atmosphere."

In a separate study, researchers at the National Oceanographic and Atmospheric Administration said the 20th century is the warmest in the past 1,200 years. They based the conclusion on ancient climate information trapped in cores from glaciers and ocean sediments sampled around the world. The warming trend coincides with land-use changes on several continents as human populations grew and farming expanded, researchers said. "Twentieth century warming is real," said NOAA's Jonathan Overpeck.

Foley's examination of the Amazon River basin in Brazil found that cutting down the rain forest not only reduces its ability to store carbon dioxide, but the bare land left after deforestation cannot return as much water to the atmosphere. Annual rainfall is reduced by as much as 20 percent in some places, according to a computer simulation by Foley and scientists in Brazil. "The ability of the land to cool itself is diminished," he said.

In southern Florida, swamp draining for construction and farming this century raised local temperatures by an average of at least a half-degree, said Roger Pielke, a Colorado State University atmospheric scientist who co-authored the study. That's sufficient to be considered more than the climate's natural variability. Summer precipitation is reduced by 10 percent after the landscape changes, he said. "Perhaps the wildfires this summer in Florida were exacerbated by the degree of landscape change," Pielke said.

Similar changes were observed in southeast Asia, north Africa and other locations. Stripped land that once was covered by vegetation cannot store heat, and releases it into the atmosphere, upsetting the climate balance, said Elfatih Eltahir, an environmental engineer at the Massachusetts Institute of Technology. Climate change isn't always limited to drier conditions, however. The switch in the past century from prairie to irrigated farmland in Texas and Oklahoma has resulted in an increase in thunderstorms there, Pielke said. The authors also said more study is need to see how changes have contributed to climate shifts over long periods of time.

See also

Study Looks at Landscape Changes, New York Times, 9 December, Internet:
<http://www.nytimes.com/aponline/a/AP-Warmer-landscapes.html>

5) MENEM URGES INCREASE IN INVESTMENT

Japan Times

3 December

Internet: <http://www.japantimes.co.jp/news/news12-98/news12-3.html>

Argentine President Carlos Menem urged business leaders Thursday to promote investment in the republic to help correct a trade imbalance

between the two countries. Later in the day, Menem spoke at a Tokyo business forum commemorating the centenary of the signing of a friendly treaty between the two countries. He questioned why Japanese are reluctant to do what they can in investing in Argentina.

Citing his efforts to shift Argentina from an inflation- and corruption-ridden state to the current stabilized market economy in the past decade, Menem urged the Japanese side to invest capital in farming as well as new innovative industries. "I expect this centenary to serve not only as a historical ceremony but also an opportunity for Japan and Argentina to invigorate their exchanges," Menem said before an audience of about 360 people, including senior government officials, business leaders and consultants from both sides.

Menem went on to ask Japan to participate in Argentina's effort to create global free trade areas beyond the realm of Mercosur, a Latin American open economic zone consisting of Argentina and three other countries and two associated nations. The Argentine president said that Mercosur is aiming to make a free trade agreement by 2005 with the European Union, while trying to create a free trade network across North and South America.

See also,

JAPANESE, ARGENTINE LEADERS CALL FOR CLOSER BILATERAL TIES, Buenos Aires Herald, 7 December, Internet:
<http://www.buenosairesherald.com/thisweek/arg2.htm>

6) LINK DESERTIFICATION SOLUTIONS TO BIODIVERSITY, CLIMATE AND WATER ISSUES

UNEP News Release 1998/126
9 December 1998

Dakar/Nairobi - Calling the Convention to Combat Desertification a powerful weapon for reversing dryland degradation, the United Nations Environment Programme (UNEP) is encouraging governments to seek synergies between the Convention and other major environmental agreements.

The most effective actions for preventing dryland degradation are often the same actions needed to protect biological diversity or minimize the risk of climate change," said Klaus Toepfer, Under-Secretary General of the United Nations and Executive Director of UNEP.

"By bringing these distinct but interlinked issues together in their national policies, governments can heighten the impact of their national investments while boosting their fund-raising potential," he added.

Ministers and high-level officials attending a meeting of the Conference of the Parties to the Convention here in Dakar are exploring how to promote more financial and technological support to programmes for combatting desertification. The opportunities provided by this approach are illustrated

By the recent decision of the multi-billion-dollar Global Environment

Facility (GEF) to fund anti-desertification projects if they also address one of the GEF's four focal areas - biodiversity, climate change, international waters, and ozone depletion.

For example, the GEF is funding a \$12.2 million, five-year project to rehabilitate the degraded land along the border between Mauritania and Senegal. This project, which is being implemented by UNEP and the United Nations Development Programme, will seek to protect biodiversity by targeting five critical ecosystems encompassing 60,000 square kilometres.

Another GEF-funded UNEP project will rehabilitate indigenous vegetation in the degraded rangelands of Africa's arid zones, particularly in Botswana, Kenya, and Mali, while yet another will rehabilitate degraded lands and biodiversity in Mozambique, Zambia, and Zimbabwe.

A UNEP/GEF desertification project whose funding depends on climate change benefits is taking place in the pastoral areas of Benin, Burkina Faso, and Niger. Because trees and other plants absorb and store the greenhouse gas, carbon dioxide, from the atmosphere, returning dryland vegetation to health simultaneously enhances "carbon sinks" and thereby reduces climate change.

Another illustration of the policy links between desertification and other environmental issues is the issue of water resources. Several weeks ago, at UNEP headquarters in Nairobi, the African Ministers Council on Environment (AMCEN) highlighted the importance of the integrated management of river, lake, and hydrogeological basins to the implementation of the Convention to Combat Desertification.

The bio-physical processes of biodiversity, climate change and desertification are intimately intertwined. Climate change will affect the drylands by influencing heat extremes, water supplies, soil humidity and temperature, and agricultural production. It will also threaten biological diversity on land and in the sea.

As climate zones shift poleward during the 21st century, the composition and geographic distribution of ecosystems will change rapidly. Species that cannot migrate and adapt quickly enough will not survive. At the same time, deforestation and dryland degradation are influencing local climates, the global carbon cycle, and the albedo, or reflectivity, of the earth's surface.

Biodiversity and desertification are also related to each other. Dryland degradation affects not only agricultural productivity but natural vegetation, wildlife, and soil fertility. The loss of biodiversity likewise undermines the environmental health of drylands and makes them more vulnerable to human and natural pressures.

Fortunately, the three issues are also linked by common solutions. For example, combating deforestation reduces net carbon dioxide emissions, land degradation, and the loss of biodiversity.

Similarly, the introduction of renewable energy technologies can cut

greenhouse gas emissions while easing pressure on the land and the forests by providing an alternative to limited fuel wood supplies.

Based on a mandate from the 1992 Rio Earth Summit, governments negotiated the United Nations Convention to Combat Desertification and adopted it in 1994. The Convention on Biological Diversity and the United Nations Framework Convention on Climate Change were adopted at the Earth Summit. Together, the three treaties are often referred to as the Rio conventions on sustainable development.

Note to journalists: For interviews or more information, please contact Michael Williams at the conference center press office, or on portable phone 6333387. Additional information about UNEP is available at www.unep.org and at www.unep.ch.

7) BIG OIL: THE CULTURES New York Times (excerpt) December 2, 1998

The bosses at Exxon and Mobil, in short, have markedly different styles, making their proposed alliance seem an odd match indeed. Not that it would be a marriage of equals, though. It is Raymond (Exxon) who would put a far bigger stamp on the combined company.

Raymond may well fall behind Noto (Mobil) on diplomatic skills. He has been in the forefront, for instance, in speaking out on global warming, insisting that it has not been proved scientifically. As chairman of the American Petroleum Institute, the industry trade group, he has been the point man in trying to head off attempts to limit emissions of carbon dioxide, which would almost surely force industries to cut down on oil consumption. And he has not been afraid to be blunt about it, causing an uproar at a meeting of the World Petroleum Congress last year for his views.

"Some people seemed astonished that someone would actually stand up in public and point out some of the scientific uncertainties and damaging economic consequences of the proposals under discussion," he said at the gathering.

In dealing with the varied groups claiming damages from the Exxon Valdez spill in Alaska in 1989, he has often taken a tough line to keep claims down. He was also willing to take the heat for having Exxon go through a continuing long and costly appeal of a \$5 billion jury award in the case, even though many people said Exxon should have simply paid it.

As for today's challenges, Noto and Raymond might be the ideal team. Noto was in Saudi Arabia from 1977 to 1985, making friends with some current Saudi leaders. And Raymond has the resources and skills to put projects together. Between them they may find a way back into the country with by far the largest oil reserves in the world.

8) ENVIRONMENTALISTS SEE NO GOOD IN EXXON-MOBIL DEAL Reuters

3 December

Internet: <http://www.planetark.org/new/news/03129802.html>

LOS ANGELES - Environmentalists see little upside in the planned \$76 billion merger of Exxon Corp. and Mobil Corp., two oil industry titans they say have next to no commitment to renewable energy. "Exxon and Mobil tying the knot is like getting married on the Titanic. We are running out of sky, not oil," said Gary Cook, legislative director of Greenpeace's climate campaign in the United States.

Exxon said it would acquire Mobil in a record \$76.2 billion deal that will create the nation's biggest company and the world's largest oil producer. But environmental groups said the merger bodes ill for the world's climate, which many scientists believe is threatened by heat-trapping emissions caused by the burning of fossil fuels.

"Exxon and Mobil have both worked against international efforts to control global warming," said Fred Krupp, executive director of the Environmental Defence Fund. "It's troubling to see that the world's biggest oil company will be made up of big opponents of greenhouse gas reduction." Mobil said last month it continued to oppose a treaty meant to deal with climactic changes from industrial pollution since "there is time to fix the problem without causing worldwide economic harm." Many analysts have attributed the Exxon-Mobil deal to a need to cut costs as oil prices have tumbled but several environmentalists said exploration in Alaska and elsewhere has continued to boom.

"We are asking all oil companies to at least shift investment away from looking for new oil and into energy services and renewable sources," Greenpeace's Cook said. Adam Kolton, director of the Alaska Wilderness League's arctic refuge campaign, said, "It is hard to imagine that this is being brought about by low oil prices. It is being driven by the bottom line." Exxon is one of the major Alaskan producers.

Even compared with other oil companies, Exxon and Mobil are remarkable for their reluctance to admit the possibility of global warming, the environmental groups said. "At least Shell and BP recognise the science and are making investments - albeit nominal ones - in renewables," Cook said. British Petroleum, which sometimes calls itself the world's largest solar energy company, has committed to invest \$50 million in renewable energy in coming years, a tiny piece of its \$1.5 billion budget for oil exploration, but still a start, Cook noted.

In addition, Amoco Corp., which is merging with BP, is a 50-percent partner with Enron Corp. in Solarex, one of the world's largest producers of solar photovoltaics, which convert sunlight into electricity, Greenpeace noted. Krupp noted that Exxon and Mobil have opposed the Kyoto Protocol, which has been signed by at least 60 nations, although it has not been ratified by the U.S. Senate. Kolton at the Alaska Wilderness League noted that Exxon was responsible for the Exxon Valdez oil spill in 1989 - often called the worst environmental disaster in American history - in which 11 million gallons of crude oil leaked into Alaska's Prince William Sound.

The 10-year anniversary of that disaster will be next March, and Exxon is already gearing up to convince the public that Prince William Sound has recovered, Kolton said. "We are hoping that government regulators will look beyond the glitz and the spin to take a good look at the threats to the environment from this merger," he said.

9) PRESIDENT SAYS DETERMINED TO SEE OIL FLOW

Reuters

3 December

Internet: <http://www.planetark.org/new/news/03129806.html>

N'DJAMENA - Chad's president, Idriss Deby, marked eight years in power on Tuesday with a pledge to see the impoverished country's oil wealth start flowing and an appeal to environmental protesters not to block the project. Deby, in a speech broadcast by state radio from the southern oil town of Doba, urged the local population not to pay heed to domestic and foreign opponents of the project, which aims to bring the oil on stream by 2001.

"We are determined to produce the oil of Doba. The oil is the property of all Chadians and the revenue from the Doba oil will be used to improve the living conditions of all Chadians," he said from the capital of southern Logone Orientale region. "I ask the people of Doba to denounce all those who plot against the production of the oil, above all those who from near or from afar incite the population to oppose the production of the oil," he added.

Deby, a Moslem northerner who took power in a 1990 French-backed coup, returned to the arid former French colony on Sunday after hospital treatment in Saudi Arabia for an intestinal problem. He made no mention of his illness in the speech. Deby won presidential elections in 1996. Since he took power, Chad has experienced a period of relative stability after over a decade of civil war and conflict with Libya.

In his speech, he said that peace deals with rebel groups had improved security, attributing lingering insecurity to bandits. "Now that peace has been restored following peace accords signed between the government and the rebel movements, I undertake to crack down on highway robbers who continue to terrorise peaceful citizens," he said.

Chad has a southern Christian minority. At least two rebel groups operated in the Doba region. National Assembly member Yoranger Ngarlejo, who is from the Doba region and opposes the project, was jailed for three years in June for defamation. The conviction followed suggestions he made that Deby wanted to keep the oil project in the family.

10) HUNGARY TO LIBERALIZE ENERGY SECTOR

Central Europe Online

Dec. 09, 1998

Internet: <http://www.centraleurope.com/ceo/business/news/98120904.html>

BUDAPEST, Dec. 09, 1998 -- (Reuters) Hungary will introduce a new pricing system for its electricity and gas market next year and look

gradually to liberalize the sector in line with European Union standards, Economics Minister Attila Chikan said on Tuesday. Chikan said the new pricing system -- without quarterly adjustments -- would take effect on Jan. 1 and the ministry would disclose details before Christmas.

"It is fundamentally an opening towards competition," he told a news conference, after a draft document was agreed by the economics ministry. "Consumer interest, efficiency, safety and accession to the European Union are the key elements of the concept." Hungary's center-right government, which took office in July, promised to review the energy pricing system that consisted of quarterly price adjustments by the Economics Ministry based on recommendations of the Energy Office.

The quarterly pricing was supposed gradually to deliver the previous government's promise of an 8 percent return on equity for investors who bought into the energy sector in a \$2 billion sell-off in 1995 and 1996. The previous Socialist-led government postponed an energy price rise in March, just ahead of the elections, and another in June, saying it did not wish to make commitments that would have to be fulfilled by the next government.

The new government also postponed the quarterly price rise due in October and said it would revise the entire concept by the end of this year. Chikan said Hungary would move toward liberalizing its market along requirements of the European Union, but said the EU's guidelines coincided with domestic interests.

"We will make changes according to the inner development rhythm of the economy," he said. Hungary will introduce an experimental opening of the electricity market in 2001 that would include power suppliers' access to the national grid currently under Magyar Villamos Muvek's (MVM) monopoly, Chikan said.

"All market participants must be given free access to the (distribution) network," said Peter Honig, deputy state secretary at the Economics Ministry. He said the experiment would give some large customers the right to choose their energy supplier. Under the present system Hungarian power plants sell the electricity they generate to MVM. Honig said the ministry was also studying the possibility of similar steps in the gas market where oil and gas company MOL holds a monopoly on gas wholesale.

11) WORLD BANK CALLED ON ENERGY LENDING POLICY ENN

Wednesday, December 2, 1998

Internet: <http://www.enn.com/news/enn-stories/1998/12/120298/bank.asp>

The World Bank is being criticized for not doing enough to promote renewable energy projects, like photovoltaic lights, in developing countries. The World Bank, the public financial institution charged with the task of poverty alleviation and sustainable development, is under pressure to reform its lending policy when it comes to energy projects in developing nations.

"The bank currently lends 25 times as much money for fossil-fuel energy projects as it does for renewables," said Daphne Wysham, lead author of a study on the World Bank's compromised role in mitigation of the climate change treaty. The report, put out by the Institute for Policy Studies, a Washington, D.C., based think tank, has helped generate enough of a stir that the World Bank last week decided to delay its approval of the Prototype Carbon Fund until further consultation with non-governmental organizations and others.

Details of the carbon fund made headlines at last month's climate talks in Buenos Aires, Argentina, when a document surfaced detailing the World Bank's plans to take control of the multi-billion dollar carbon trading market being set up under the Climate Change Convention. According to the Institute for Policy Studies, the World Bank would fund fossil fuel projects in poor countries on one hand, then reap financial benefits from the resulting pollution on the other hand through a controlling interest in the \$150 billion a year carbon-trading market.

The institute sees this as a conflict of interest on the bank's part because instead of working toward its mandate of poverty alleviation and sustainable development, it is working out lending schemes which benefit wealthy oil, gas and coal corporations headquartered in one of the wealthy Group of 7 nations. The new plants bring very little, if any, energy to the 2 billion poor people in the world who currently live without it because the plants are constructed for the benefit of the urban middle-class and energy-intensive industries who move in to take advantage of the cheap power, said Wysham.

It turns out, according to the Institute for Policy Studies' report, that many of the same corporations that benefit from the World Bank's lending policy are also members of the Global Climate Coalition, a United States lobbying group that works to prevent any action by the United States to reduce its share of greenhouse gas emissions.

The biggest problem, according to Wysham, is that this lending policy is focused on the fossil fuel industry even though the World Bank's own reports conclude that renewable energy projects are the most effective means of meeting the needs of those without power. Besides, fossil fuel energy sources lead to greater climate change and, according to Wysham, the World Bank has acknowledged that climate change has the greatest impact on the world's poor.

"The World Bank's energy lending portfolio is dominated by fossil fuels. More than three-fourths of all its energy lending is spent on oil, gas and coal or power projects that use these fuels, making it the largest multilateral financier of climate-changing fossil fuels in developing countries," the institute's report says.

This rhetoric from the Institute for Policy Studies was echoed in a letter to President Bill Clinton from Congressman Dennis Kucinich, D-Ohio, and Henry Waxman, D-Calif., on June 18. "The World Bank has helped finance 87 fossil fuel based projects. These projects are

expected to produce one and a half times more CO2 emissions than today's annual global total. Has there been a comprehensive review of these projects undertaken to determine whether renewable or clean energy technologies could be substituted as energy sources?" Energy experts familiar with the controversy surrounding the World Bank's lending policy say the bank has acknowledged the concern of non-governmental organizations and others and is trying to figure out a way to reckon with those forces rather than heed their advice.

EDITOR'S NOTE: "The World Bank and the G-7: Still Changing the Earth's Climate for Business - 1997-98" is available at <http://www.seen.org/wbstill/index.html>. The report was produced by the Sustainable Energy and Economy Network (Institute for Policy Studies, USA) and the International Trade Information Service (USA)

12) FRENCH VIVENDI EYES POLISH ENERGY PRIVATIZATION
Central Europe On-Line
Dec. 08, 1998
Internet:
<http://www.centraleurope.com/ceo/business/news/98120802.html?html>

WARSAW -- (Reuters) French conglomerate Vivendi wants to take part in the privatization of the Polish energy sector and has no pre-set investment limits, the firm's deputy president for international development said.

"Our group is present in energy production and... in principle we are interested in the privatization of the sector (in Poland)," Marc Boudier told a news conference on Monday. "We have no specific investment limits. The only limit is profitability," he added. Boudier said Vivendi's presence in Poland, through its Dalkia Termica subsidiary has been made possible thanks to the liberalization of the country's laws on energy. Poland will start liberalizing its energy sector from the beginning of next year by introducing elements of a free market in energy production and through privatization.

Poland wants to sell some 15 large power plants and possibly also scores of small heating and power units, which often supply energy to a single large recipient. For a transition period of 1-2 years the government will keep control over energy prices through the state Energy Regulation Office (URE). The government has set next year's maximum rise of heating prices at 15 percent and at 11 percent for electricity. Inflation is forecast to slow to around 8 percent in 1999 from around 9.5 percent this year.

URE estimates that the sector will suffer a loss of some Zl 2.6 billion next year because of the gap between prices at which power plants agreed to sell energy in long-term contracts and the price imposed by the state. The price of one kWh in the contracts is at an average of Zl 137 while the current state price is Zl 112. URE also estimates that it will take up to four years for the sector to return to black by gradually raising prices and cutting costs at the same time.

Boudier said Vivendi was not put off by the temporary maximum price

increase limits. "This is not an obstacle in the privatization because companies look at profits they will have in the future," Boudier said. He added that in the Polish energy sector there was room for increasing effectiveness and cost cutting through modernization.

13) DESPITE LOW GAS PRICES, PUSH TOWARD CLEANER CARS ACCELERATES

Detroit News

5 December

Internet: <http://detnews.com/1998/autos/9812/07/12050032.htm>

NEW YORK -- Efforts to develop cleaner-running automobiles are accelerating despite a plunge in gasoline prices that has lured millions of Americans into gas-guzzling sport utility vehicles. But the push isn't turning out as planned. Government and industry have shifted focus from electric cars, until recently seen as a main anti-pollution tool, to hybrids that aren't as clean, but easier to make. At the same time, regulators are tightening fuel-efficiency requirements for today's dirtiest models.

These two trends are expected to usher in cleaner cars on America's roads this coming decade, tidying up smoggy cities such as Los Angeles. Less certain is whether the drive will help cut pollution that is believed to cause global warming. A nearly two-decade-long drop in gasoline prices has been threatening to set back clean-air efforts by regulators. U.S. sales of new pickups, sport utility vehicles and vans topped car sales in November for the first time as Americans' love affair with roomier trucks continued to grow. One study shows fuel economy ranks 35th on the list of attributes important to truck buyers.

Aggravating matters, the number of vehicles on U.S. roads nearly doubled since 1970. Carbon dioxide emissions, which are believed to cause global warming, jumped 20 percent between 1980 and 1996. The Environmental Protection Agency has said that cleaner-burning vehicles are needed to ensure that urban smog doesn't get worse. Technology is starting to catch up to the problem, said several experts, potentially offsetting the effects of the gas guzzlers on the road.

"People who just look at fuel price, who don't look at the technology revolution, are missing the whole story," said Amory Lovins, director of research at the Rocky Mountain Institute, a non-profit research organization. He noted that a new breed of cleaner vehicles under development at virtually every car manufacturer is expected to offer more comfort, acceleration and other improvements over today's cars.

"People will buy them because they are better cars," he said, "for the same reason people buy compact disks instead of phonograph records." Electric cars have so far been seen as too much of a tradeoff for consumers. This past year, California and New York backed off requirements that 2 percent of all vehicles sold by automakers in their states be non-polluting. Auto makers successfully argued there was too little demand for battery-operated cars that required charging every 100 miles or so. In addition these cars were just too expensive, particularly at a time of dropping gas prices.

But advances in battery technology are spurring other types of clean cars that still rely partially on the automobile's century-old combustion engine. Toyota Motor Co. announced last fall that it would become the first automaker to market a hybrid gasoline-electric car with its Prius. The car, which goes on sale in the U.S. in 2000, will be four times cleaner than required by California standards and also get 66 miles a gallon.

Other major car makers here and abroad have followed suit with plans. One reason Japanese automakers have led the push: Gas prices there are far higher than in the United States. "The majority of the industry is working very hard on doing as much as we can to continue to reduce the impact that the automobile has on air quality in the United States," said David Raney, manager of environmental and energy affairs for American Honda Motor Co., which is working on a hybrid car that is 10 times cleaner than required by California.

Regulators also are stepping up efforts. Last month, California drastically tightened emission controls on full-size pickups, vans and sport utility vehicles, saying the growing popularity of the big-polluting rigs has undermined the state's efforts to meet federal clean air goals. Under new rules, emissions levels from SUVs must begin coming down in 2004 and be as low as passenger cars by 2007. Other states are expected to follow suit, with the federal Environmental Protection Agency not far behind.

14) CHINA ACCELERATES ALTERNATIVE FUEL AUTO INDUSTRY

Muzi News

12/4/98

Internet: <http://lateline.muzi.net/cgi/lateline/news?p=10985>

BEIJING - The car industry in pollution-choked China is accelerating efforts to develop vehicles which run on alternative fuels and electric power, Chinese state media said on Thursday. China has about 6,000 vehicles which run on compressed natural gas (CNG) or liquefied petroleum gas (LPG) and intends to raise the number of such vehicles to 50,000 by the year 2000, the reports said.

"Developing environmentally friendly motor vehicle technology in line with China's resources is highly significant for ensuring the sustainable development of the nation's automobile manufacturing industry," Xinhua news agency quoted Deng Nan, vice-minister of Science and Technology as saying.

Taxis and buses in major cities would be the first vehicles to use clear fuel technology. Beijing and other leading cities have already moved to ban leaded fuel. Air pollution levels in Chinese cities have worsened rapidly in recent years, prompting the government to start monitoring and publicising weekly air quality levels for major metropolitan areas.

"If the government started imposition of fuel tax starting next year, there would be a rosy outlook for LPG or CNG-fuelled vehicles," the official China Daily quoted Guo Qian, a spokesman for FAW-Volkswagen as

saying. China has already kicked off an agreement with Italy's Italdesign to develop a concept for an electric car body and has launched other joint ventures with foreign companies to develop alternative fuel vehicles, Xinhua said.

A district in China's southern city of Shantou has been marked out as the state testing and demonstration zone for electric vehicles. Seventeen electric vehicles, including seven domestic-made, were being test driven. However, lack of funds and technology are impeding the commercialisation progress, the newspaper quoted Zhang Xiaoyu, vice-director of the State Machine-Building Industry Bureau, as saying.

15) MEXICO CITY ORDERS CARS OFF THE ROAD DUE TO SMOG

Reuters

7 December

Internet: <http://www.planetark.org/new/news/07129816.html>

Mexico City authorities on Thursday ordered hundreds of thousands of cars off the streets on Friday because of exceedingly high levels of air pollution in a city notorious for its smog. Air pollution is a way of life in greater Mexico City, where 18 million people live in a bowl-shaped valley 7,350 feet (2,250 meters) above sea level. The geography traps the emissions of 3 million automobiles and particles from all manner of contaminants including heavy metals and fecal matter.

When air pollution exceeds a certain level on an obscure measuring system, authorities declare an alert advising people against exercising outdoors and ordering many cars off the road. School children remain indoors all day. Except for the most recent model cars that pollute less, all cars with license plates ending in an even number will be barred from circulation Friday, said Roberto Rodriguez, a spokesman for the Mexico City government.

"In addition 50 percent of all government vehicles will be prohibited, with the exception of emergency vehicles like ambulances," Rodriguez told Reuters. Under normal circumstances, all but the latest model cars are banned from driving one day a week under the "day without a car" programme designed to cut down on smog.

16) EVS FOR RENT: A NEW POWER TRIP FOR ALTERNATIVE DRIVERS

Los Angeles Times

9 December 1998

Internet: <http://www.latimes.com/HOME/BUSINESS/t000112327.1.html>

Travelers at Los Angeles International Airport now have an alternative to that gas-guzzling rental car: an electricity-guzzling rental car. EV Rental Cars is set to open today at Budget Rent A Car facilities at LAX, marking the first rent-by-the-day operation in the U.S. to offer electric vehicles. The opening also represents the culmination of a two-year crusade by EV Rental Cars President Jeffrey Pink to create a way for drivers to try EVs without handing over the big bucks, typically \$400 to \$500 a month, required with long-term leases.

The price of renting an electric vehicle at EV Rental Cars, whose

partners include Budget and the Los Angeles Department of Water and Power, will be comparable to that of many gas-powered vehicles. But there's no refueling fee and no last-minute dash to a gasoline station to top off the tank.

However, renters will be responsible for finding recharging stations during their turns behind the wheel. EVs run about 70 to 90 miles between charges, whereas a typical gasoline-powered vehicle can go 300 miles or more between fill-ups.

Battery-powered vehicles have been available commercially for two years, primarily in California, but have met with limited success. Only about 1,000 of the 3 million cars and trucks newly registered in California in the last two years are electric. "None of these cars are moving, because people don't know anything about them," Pink said. "It is our hope that as consumers become more familiar with EVs through ventures such as this one, they will be more inclined to lease them on a long-term basis."

17) EARTH AT ITS WARMEST IN PAST 12 CENTURIES

Washington Post

Tuesday, December 8, 1998; Page A03

Internet:

<http://www.washingtonpost.com/wp-srv/WPlate/1998-12/08/0641-120898-idx.html>

The warming of the Earth in this century is without precedent in at least 1,200 years and cannot be fully explained by any known combination of natural forces, one of the federal government's top climate scientists said yesterday. New research that documents climate change as far back as the Holy Roman Empire is strengthening the argument that humans are partly responsible for the rising temperatures, said Jonathan Overpeck, head of the paleoclimatology program for the National Oceanic and Atmospheric Administration.

"There is no period that we can recognize in the last 1,200 years that was as warm on a global basis," said Overpeck, who presented his findings at a meeting of the American Geophysical Union in San Francisco. "That makes what we're now seeing more unusual, and more difficult to explain without turning to a 'greenhouse gas' mechanism." Overpeck made the assertion as the eastern half of the United States basked in an extended December heat wave that has shattered temperature records in dozens of cities. Although the warm spell is not, of itself, evidence of global warming, a sharp spike in global temperatures in the past two years has intensified the debate over humankind's contribution to climate change.

New scientific findings presented in San Francisco appeared to simultaneously add clarity and confusion to the debate. While some researchers reported strong signals of human-induced warming in the past century, other scientists acknowledged enormous uncertainties that complicate the task of forecasting climate change in the future. One of the speakers, James E. Hansen, director of NASA's Goddard Institute for Space Studies, argues that scientists know too little about the complexities of climate, such as changes in cloud cover, to make

accurate predictions. Hansen, who told a congressional panel in 1988 that the greenhouse effect "is here," caused a stir a month ago when he wrote about those uncertainties in a prominent journal, The Proceedings of the National Academy of Sciences.

"The forcings that drive long-term climate change are not known with an accuracy sufficient to define future climate change," Hansen wrote. Overpeck, in his speech, said this century's warmer temperatures are appearing more anomalous as scientists improve their understanding of climate change in the past. Not only has the 20th century produced the hottest years on record, he said, but the magnitude of change appears to be without parallel since at least 800 A.D.

Until very recently, many scientists believed the Earth underwent a dramatic warming in the Middle Ages, beginning around the 9th century and continuing until nearly the 14th century. During the "Medieval Warm Period," as it is called, temperatures rose throughout Europe and sea ice retreated in the North Atlantic, allowing the Vikings to briefly colonize Greenland. Global warming skeptics frequently cite the era as one of the best known, historic examples of natural climate variation - proof, they say, that climate changes without help from people, and that a little warming might even be beneficial.

But new research suggests the Medieval Warm Period never really happened, Overpeck said. Based on evidence from ancient tree rings, glaciers and other "proxy" measurements of past climate, the thaw appears to have been limited to northern latitudes in Europe and North America, while other parts of the globe saw little change in temperature. The apparent cause of Europe's warming was a change in ocean currents, he said.

"Our study of the Medieval Warm Period supports the likelihood that no known natural phenomenon can explain the record 20th century warmth," Overpeck said. "Twentieth century global warming is a reality and should be taken seriously." The average temperature at the Earth's surface has risen about 1 degree Fahrenheit since the 1880s, with many of the century's warmest years occurring in the past decade. Scientists predict 1998 will surpass 1997 as the warmest year since record-keeping began.

See also:

EARTH AT ITS WARMEST EVER, Toronto Star, 9 December, Internet:
http://www2.thestar.com/thestar/editorial/news/981209NEW31_FO-WARM9.html

18) MUCH OF U.S. BASKS IN WARM WEATHER MSNBC

4 December 1998

Internet: <http://www.msnbc.com/news/220520.asp>

CHICAGO, Dec. 3 - Each day this week, as many as 20 major U.S. cities are recording new warm temperature marks, and in many cases melting away consumers' spending. Almost a week into the Christmas shopping season, heavy coats and other winter apparel still hang on racks throughout department stores. Analysts call outerwear sales "horrible,"

a dark cloud in an otherwise bright retail forecast. The weather-related merchandise is spoiling Christmas a bit," said Dan Barry, a Merrill Lynch retail analyst. "It's not going to make for a bad Christmas, but it's going to spoil it a bit."

WARMEST YEAR IN 500 YEARS?

The warm spell is ending a year that could be the warmest in 500 years, according to James Baker of the National Oceanographic and Atmospheric Administration. In Chicago, it's reached the mid-60s, giving travelers little reason to book trips. Business at some travel agencies to warm weather destinations is down 25 percent. "There's nothing to motivate them to run so they're all doing their thing and our sales are down," said Kathy Prezas of Chicago's Apollo Travel. In Atlanta, it's convertible weather as the mercury has reached 76 degrees. They're still golfing in Minneapolis and basking in the sunshine in Portland, Maine, where it's been a dozen degrees above normal.

SKI RESORTS HAMMERED

While New Englanders are saving on their heating bills, the warm spell has crippled ski resorts. From Maine to Missouri, the slopes are barren and brown, with temperatures so warm that even snow-making machines can't help. Forecasters say winter, eventually, will arrive. Real snow - not the machine-made kind - should make its way to the Midwest and the Eastern Seaboard in the next two weeks. Soon, forecasters predict, the jet stream, now hovering around the U.S.-Canadian border, will move south.

"The zero-degree temperatures that are up in Canada will be moving down to the northern tier of the states," said NOAA forecaster John McGinley, "so it will feel like a lot more like winter." But until then, at New York's Rockefeller Plaza, Zamboni driver David Meltzer said he'll do what he can to protect the ice from 60-degree weather. "I'm starting to get spring fever and it's December already," he said.

See also:

HOT ENOUGH FOR YOU?, Philadelphia Inquirer, 5 December, Internet:
http://www.phillynews.com/daily_news/98/Dec/05/local/HOTT05.htm

NORTHEAST BASKS IN UNSEASONABLE WARMTH, Miami Herald, 8 December,
Internet: <http://www.herald.com/usa/digdocs/039907.htm>

19) OZONE HOLE JUST LASTS AND LASTS

BBC News

4 December

Internet:

http://news.bbc.co.uk/hi/english/sci/tech/newsid_227000/227972.stm

The Antarctic ozone hole has set a new record. It has lasted longer than in any other year - for nearly 100 days. The World Meteorological Organisation, a UN agency, says the hole measured 13 million sq km for most of November. The WMO says this is the first time since tracking of ozone levels began in the 1970s that the hole has measured more than 10 m sq km for so long. Between 65 and 90 degrees south, the WMO says, the average ozone level was the lowest ever recorded for November.

Some good news

Overall, south of 60 degrees latitude, the ozone destruction was about 30% worse than the average for the last eight years. The good news is that the hole in November was barely half the size it had been in September. It then measured a record 25 m sq km, two and a half times the size of Europe.

At the end of September, according to the WMO, ozone depletion was the greatest ever observed for the time of year, and it covered a larger area than ever before. The previous record hole, in 1993, measured 22 m sq km. The average over the past few years has been about 20 m sq km. The WMO says average ozone levels over the entire south polar area during September were about 45-50% below normal.

But at higher levels, between 14 and 22 km above the earth, ozone loss was 80-95%. The ozone layer protects all life against the harmful effects of the sun's ultra-violet radiation, which can cause blindness and cancer.

New level of damage

While humans can take some precautions against exposure, there is little to be done for animal or plant life short of stopping the damage to the ozone layer. UV radiation is known to damage plankton, the microscopic organisms which are at the base of the marine food chain.

Scientists at the University of Plymouth have reported that the reproductive cells of plankton appear to be several times more sensitive to UV radiation than mature cells. They say that 'the ecological significance of elevated UV(B) exposure in the marine environment may be seriously underestimated'.

Trouble in store

The ozone is being destroyed mainly by chlorofluorocarbons (CFCs), gases which used to be widely used in refrigeration and aerosols. Their use is now banned in developed countries, but the developing world has until 2005 to phase them out. Because they are so long-lived at high altitudes, CFCs emitted years ago will go on causing damage for a long time to come. There is even a thriving black market trade in smuggling contraband CFCs across frontiers. Other ozone depleters include halons, used in firefighting, and the fumigant methyl bromide.

An international agreement on protecting the ozone layer, the Montreal Protocol, was signed in 1987. The WMO says there are signs that the protocol is beginning to have an effect. But it will take at least until the middle of the next century before the ozone has returned to normal. Scientists expect things to go on getting worse for some years yet before they start to improve.

20) ARCTIC WARMING THREATENS POLAR BEARS, U.N. TOLD

CNN Interactive

November 4, 1998

Internet: <http://cnn.com/TECH/science/9811/04/polarbear.yoto/index.html>

At the onset of United Nations climate talks Monday, Greenpeace warned

that the impacts of global warming are already appearing and endangering species living in the Arctic -- especially polar bears. The melting and retreat of Arctic sea ice has already had an affect on polar bear habitat and may ultimately contribute to the extinction of the species, the group says.

Scientists studying Arctic sea ice have recently documented significant changes there and say the Arctic is warming at least twice as fast as the rest of the globe, says Greenpeace. The Nansen Environmental and Remote Sensing Center in Norway found a 4.6 percent decline in ice extent and a 5.8 percent decline in actual ice area between 1978 and 1994. Polar bears feed nearly exclusively on ringed seals which they hunt from the ice edge or through the pack ice itself. The bears do not catch the seals in the water, but wait at holes for them to come through the ice to breathe.

The retreat of the sea ice also means that more bears may become trapped on or near shore in the summer and fall, and are more likely to run afoul of humans and garbage dumps, or in the case of Alaska, with the industrial complex associated with oil development on Alaska's North Slope. In these encounters, the bears usually lose.

"If they lose their ice platform, we lose their habitat, and we're not going to have any polar bears", said Dr. Charles Jonkel of the U.S.-based Great Bear Foundation.

During a recent expedition to study wildlife populations, Greenpeace's icebreaker, m/v Arctic Sunrise, carried scientists and campaigners to the 'ice edge' in the Chukchi Sea, that part of the Arctic Ocean between northern Alaska and Russia's Chukotka Peninsula. Normally at or near the coast of Alaska, the ship had to sail more than 150 miles north to find the edge of the ice.

"There certainly seems to be genuine increase in temperature, and I think the temperatures are indicating that something's going on," said University of Alaska Fairbanks Researcher Lori Quakenbush, who joined the Greenpeace expedition. "There are two things that can affect polar bears: one is a change in the number of ringed seals for them to feed on and the other is a change in the accessibility of those seals. The ice plays a big role in both of those things.

"The food chain in the Arctic is short. The algae that grows on the bottom of the ice is eaten by zooplankton, which is eaten by Arctic cod, which are eaten by ringed seals, which are eaten by the polar bears, and that's about as simple as a food chain gets. A change in the environment can affect anything along the chain," said Quakenbush.

Scientists aboard the Arctic Sunrise were surprised by how far north the ice edge had retreated. However, this fits with the findings of a recent joint Canadian/American expedition where scientists were frozen into the Arctic ice pack aboard a Canadian icebreaker north of Alaska for more than a year. Scientists found the ice to be much thinner (1.5 meters at most, rather than the 2-3 meters that would be expected), and much warmer and less salty due to recent melting of the pack.

Greenpeace's Arctic Expedition leader Steve Sawyer said, "The delegates in Buenos Aires have to be reminded that climate change is not something which will happen in the future, it is happening now, most dramatically in the Arctic. The main cause is clear and undisputed. Increased carbon dioxide in the atmosphere due to the burning of fossil fuels is accepted as the main cause of climate change by all scientists save those working for the fossil fuel industry. Polar bears may be some of the earliest victims, but the rest of us are not far behind." For more information, contact Charles Jonkel, (406)728-9380.

21) PENGUINS IN PERIL

BBC News

December 5, 1998

Internet:

http://news.bbc.co.uk/hi/english/world/americas/newsid_228000/228378.stm

Penguin populations are taking a dive across the southern hemisphere according to researchers attending an international penguin conference in the United States. Scientists meeting at Boston's New England Aquarium say most penguin colonies - except for five in Antarctica - have declined in the past few years. They blame the decline on warmer temperatures brought by the El Nino weather system as well as the effects of pollution and tourism.

A combination of these factors has created a scarcity of food for the penguins, impeded their breeding habits, and left them open to disease. Most concern centres on the plight of the Erect-Crested and the Galapagos penguins, which are considered endangered - meaning they have an estimated 20% chance of extinction in the next 20 years. But other species in South America are also considered vulnerable. Researchers say the unusually warm weather brought on by El Nino could have affected the penguins' breeding and feeding.

"It's important to know that penguins do not adapt like other birds, such as gulls," said South Africa-based researcher, Robert Crawford. "They can't fly and they can't feed behind boats. They're affected by what happens on land, as well as what happens in the sea."

Environmental warning
Changing sea currents have altered the location of fish stocks and many penguin colonies have gone hungry. But scientists say penguins, which are easy to see and count, are also a good indicator of how other species are being affected by climatic and environmental change. "Things happening to penguins are a foretaste of things to come," says Susie Ellis of the World Conservation Union.

Pollution and human contact have also taken their toll. In 1994, 10,000 penguins off the coast of Cape Town died following an oil spill. The penguins' popular appeal has also proved damaging, with growing numbers of tourists visiting penguin colonies and unwittingly disrupting their delicate habitat. And since last year the Antarctic's colonies of Emperor and Adelie penguins have both succumbed to a poultry virus brought by humans. The infection has raised fears over the threat the

growing human population poses to the icy continent's fragile ecosystem.

22) TRUE NORTH MAY BE WARMING

CBC News

Dec 3, 1998

Internet:

<http://www.cbcnews.cbc.ca/cgi-bin/templates/view.cgi?/news/1998/12/03/weather981203>

TORONTO - Scientists have been keeping records on temperatures for the past 130 years, and 1998 will go down as the warmest year on record.

Why is there no snow in Winnipeg, why are golfers still yelling out "fore" on the fairways in Toronto and how come Vancouverites are still in shorts? In scientific terms, 1998 has been a "scorcher."

Every month so far this year has been the warmest on record. In fact, average temperatures in Canada have been so high that even a deep freeze in December won't prevent 1998 from smashing records, says David Phillips, senior meteorologist at Environment Canada. "I have never seen anything like it in my 31 years of tracking this stuff. We didn't just eclipse or beat out those records before, we shattered previous warmest spring and summer records," Phillips said.

Last week, U.S. scientists reported that every month this year has been the warmest on record. And it looks like 1998 may be the warmest year this millennium. This year has been so unusual scientists are beginning to wonder if we are witnessing a flip to a new climatic regime. It's a scenario climatologists have discussed for some time but have considered unlikely.

In the climatic-flip scenario, the climate does not change in a smooth trend but jumps to a new state abruptly. The trend toward warmer climates may be the first signs of global warming that scientists have talked about for the last 20 years. If you're wondering whatever happened to the record cold winter temperatures predicted by meteorologists because of La Nina, scientists now say they won't hit until January or February.

See also:

HEAT PUTS BOOTS TO SKI SEASON, Toronto Star:

http://www2.thestar.com/thestar/back_issues/ED19981205/news/981205NEW03_CI-WEATHER5.html

23) GLOBAL WARMING DEBATE STILL HAZY

USA Today

2 December

Internet: <http://www.usatoday.com/weather/clisci/wc120298.htm>

An international treaty has been written to take action against it. Nations are taking costly steps to prevent it. Politicians are staking their careers on it. But global warming, the subtle rise in the Earth's temperature that promises to unleash a posse of natural disasters, still is the subject of dispute and uncertainty. And that is reflected in two recent scientific papers.

One of those papers is by climate scientist James Hansen, one of the earliest and most outspoken of those raising the alarm about global warming. His 1988 testimony to Congress that global warming was under way brought the subject to the public eye. But in his new paper, he shows some uncertainty about how fast and how much of the Earth is warming. Hansen, of the Goddard Institute of Space Studies, still thinks that the Earth is warming. He also still thinks that humans are part of the cause, because of the so-called greenhouse gases produced by fossil-fuel use. The gases trap heat that would normally radiate into space.

But in this article, published in the Oct. 27 issue of the Proceedings of the National Academy of Sciences, Hansen notes the scientific ignorance about many of the factors affecting the world's climate. For example, cars and power plants spout tiny particles of soot and other pollutants into the atmosphere. These particles reflect sunlight and affect cloud formation, thereby helping to cool the planet. No one, he notes, knows how much effect this has.

Another puzzle he presents is the role of the sun. Greenhouse gases are definitely helping warm the planet, Hansen says. But fluctuations in the sun's energy also seem to be at work. Right now, the sun is adding to global warming. But someday the sun might give off less heat than now, thereby canceling some of the effects of greenhouse gases. But whether that will happen, he notes, is unknown. Even so, "you still have the concern that you'll have a very large climate change," Hansen says. But given the big changes in knowledge in the past 20 years, he says, "it's hard to predict over the next 100 years."

Other scientists agree, some pointing out even more uncertainties than Hansen does. "We do the best we can," says Simon Tett, a climatologist at Britain's Hadley Centre for Climate Prediction & Research.

However, Tett and many other climate scientists still say that human activity is warming the Earth into a fever. That point was stressed in a paper in last week's Science. The author used a new technique to show that greenhouse gases already are influencing the Earth's climate. The paper also concludes that the 20th-century temperature record can only be explained by taking into account both the sun and greenhouse gases, undercutting the argument that the sun alone has caused this century's warming. Still, scientists don't want to oversimplify the state of knowledge, nor do they want politicians to do so.

Some scientists were uneasy about Vice President Gore's press briefing in July when he noted that the first six months of 1998 each set temperature records. "Although that's true, it gives the erroneous perception that it's going to continue that way," says Michael Schlesinger, a climate scientist at the University of Illinois-Urbana-Champaign.

24) SCIENTISTS TACKLE CLIMATE VARIABILITY, GLOBAL WARMING AT PARIS MEETING

Science Daily

30 November 1998

Internet: <http://www.sciencedaily.com/releases/1998/11/981130161544.htm>

BOULDER--In a major agenda-setting conference that will guide much of the world's climate research for the next decade, representatives from over 60 countries will gather in Paris December 2-4 to examine questions relating to natural climate variability, the human role in global climate change, and the predictability of global and regional climate.

The Climate Variability and Predictability Study (CLIVAR) of the World Climate Research Programme is "the largest, most comprehensive international climate research program ever undertaken," according to Kevin Trenberth, co-chair of the CLIVAR scientific steering group. Trenberth will deliver a keynote address on CLIVAR's recently published implementation plan and on the evolution of CLIVAR science. He is also head of the Climate Analysis Section at the National Center for Atmospheric Research (NCAR) in Boulder. NCAR's primary sponsor is the National Science Foundation (NSF).

At the meeting, a large U.S. delegation, including representatives from NSF, the National Aeronautics and Space Administration (NASA), and the National Oceanic and Atmospheric Administration (NOAA), will outline the U.S. support and plans. The U.S. group is headed by Michael Hall (NOAA's Office of Global Programs), who will give the closing keynote address.

Attendees will define climate issues relevant to their own regions and map out collaborative efforts to answer the most pressing questions. Among the new research presented at the meeting will be

--The 1997-98 El Nino/La Nina--Ants Leetmaa, National Centers for Environmental Prediction, United States

--Long-term climate variability and the detection and attribution of anthropogenic effects--Suki Manabe, Japan

--Towards the prediction of monsoon variability--Victor Magana Rueda, Mexico

--Decadal variability in the ocean-atmosphere system--Jurgen Willebrand, Germany.

Created in 1993, the 15-year CLIVAR program focuses on the interaction of the oceans and the atmosphere and their role in the earth's overall climate. CLIVAR's goal is to enhance scientists' ability to predict climate on both global and regional scales from a season to a century. Such predictions might warn Kenyan farmers of heavy El Nino-related rains that could drown crops, alert towns along the western Atlantic coast of the projected intensity of the brewing hurricane season as La Nina builds in the Pacific, or caution Indonesian brush burners of an expected fire-prolonging drought.

The meeting will be held at the United Nations Educational, Scientific, and Cultural Organization (UNESCO) center in Paris. For more, please

contact Anatta at 303-497-8604; anatta@ucar.edu.

NCAR is managed by the University Corporation for Atmospheric Research, a consortium of more than 60 universities offering Ph.D.s in atmospheric and related sciences.

25) GROUP WARNS ABOUT DANGERS TO OCEAN

CNN Interactive

December 8, 1998

Internet: <http://cnn.com/TECH/science/9812/08/wwf.yoto/>

The oceans today are threatened by overfishing, marine pollution, bottom trawling and global climate change. (ENN) -- As delegates arrive in London for an international meeting on sustainable development, the World Wide Fund for Nature is voicing concern for the ocean and warns that a lack of political will by the world's governments may be the biggest threat to the world's oceans.

"The world's oceans are in a perilous state," said WWF's Director General Dr Claude Martin. "While some governments made measurable progress during the past 12 months, most governments failed to take the critical steps needed to manage this last wild frontier and to ensure that its resources are safeguarded for future generations."

The agenda for the United Nations Commission on Sustainable Development's annual meeting, scheduled for April 1999, is being developed during the meeting this week in London. WWF is calling for problems such as overfishing and marine pollution to be placed high on the agenda and for governments to commit to implementing a global network of marine protected areas.

The oceans today are threatened by overfishing, marine pollution, bottom trawling and global climate change. The United Nations designated 1998 as the Year of the Ocean and there have been many meetings and pronouncements calling for reform, but not a lot of action, WWF says. The organization is concerned that the issue will fade from governments' radar screens once the Year of the Ocean concludes.

Some governments have made concrete advances. Ecuador passed a law to strengthen the Galapagos Marine Reserve, which extends 40 miles offshore and outlaws industrial fishing in this area. In Turkey, the government established six new marine protected areas to help safeguard the endangered Mediterranean monk seals, and Portugal declared two new marine protected areas earlier this year. Canada announced new measures to protect the Gully, an underwater canyon off Newfoundland.

On the upside internationally, governments agreed to a timetable to phase out toxic pollutants known as organotins, which are used in anti-fouling paints on ships and known to affect marine biodiversity worldwide. However, the United Nations Fish Stocks Agreement -- which sets new guidelines for high seas fishing -- has still not been ratified by the majority of the world's leading fishing nations. The European Commission has ratified the treaty, but it will not take

effect until each of the European Union member states has followed suit.

26) OLD GROWTH FORESTS MAY SHED LIGHT ON WORLDWIDE GREENHOUSE EFFECT

Michigan Technological University

7 December

Internet: <http://www.eurekalert.org/releases/mtu-ogfmsl.html>

HOUGHTON, MI--Michigan Technological University researchers are studying ecosystem responses to global climate change in old growth forests in an attempt to find a part of the solution to the greenhouse effect problem. Plants are important absorbers of atmospheric carbon dioxide, which, in high concentrations affects global climate change. Old-growth forests represent one plant community type which has not been well researched for carbon, water, and energy exchange.

Dr. Jiquan Chen, associate professor in the School of Forestry and Wood Products at Michigan Tech, heads a team of MTU researchers whose aim is to determine the role of Pacific Northwest landscapes in the global carbon budget. They measure the fluxes of carbon dioxide, water and energy budgets at several managed forests in the Pacific Northwest to offer baseline information on the roles of managed ecosystems in a broader context of landscapes and in the cumulative effects of climate change at landscape scales.

The data from a continued flow of carbon dioxide, water, and energy budgets can help researchers understand and predict the role of terrestrial ecosystems in global carbon and water budgets. In early 1998, Chen and his team began measuring the flows of carbon dioxide and water on 550-year-old and 40-year-old Douglas fir forests at a research site near the Wind River in southern Washington. Their initial data suggested that both the old growth and the 40-year-old forest absorbed more carbon than they released. However, the young forest had a much higher carbon assimilation budget than the old-growth forest under similar climatic conditions. In addition, the net carbon dioxide absorption and releases in the young plantation can be several times higher than in the old-growth forest under some extreme conditions.

Chen and his team have extended their current measurements to the non-growth season (September 98-May 99) to compare the data between growing and non-growing season, and find out whether young plantations are net carbon sinks or sources to the atmosphere once annual carbon budget is calculated. "This study is a part of the AmeriFlux carbon flux Network and will collaborate with several studies at the Wind River site," he said.

"Successful completion of this study will lead to a better understanding of climate change and its effects on ecosystem composition, structure, and function; and eventually will prepare us better for the future management of the ecosystem," Chen said. The project is currently being funded by a 3 1/2 year, \$ 360,000 grant from the National Institute for Global Environmental Change (NIGEC) and is being carried out jointly with the University of California-Davis. Contact: Dr. Jiquan Chen, e-mail: jjq@mtu.edu; tel: +1 (906) 487-3432

27) WARMING MAY CREATE SHIPPING LANE

Miami Herald

5 December

Internet: <http://www.herald.com/americas/canada/digdocs/089882.htm>

OTTAWA -- Centuries after explorer Martin Frobisher risked his life seeking it in vain, the dream of a Northwest Passage may yet come true. Scientists say east-west shipping across the Far North could become feasible as ice cover retreats under the powerful influence of global warming. That forecast, based on the best computer modeling available but still subject to high uncertainty, is contained in a massive Environment Department report published Friday.

"One of the projections is that there will no longer be a consistent ice cover in the Northwest Passage," said Roger Street, a researcher involved in the report, *The Canada Country Study: Climate Impacts and Adaptation*. Year-round shipping across the Far North would have great potential benefits, but it would bring problems as well.

If the ice and permafrost melt, shores will be subject to year-round erosion due to wave action and the ground itself could be unstable. There would also be a risk of increased conflict with other countries. Although Canada has long claimed the Northwest Passage as an internal waterway, this has not been recognized by the United States.

That pattern of potential opportunities and complex trade-offs recurs throughout the analysis of economic and social consequences likely to result from climate change. The warming trend may boost Canada's position in world agricultural markets because the growing season will be longer, yields may improve and it may be possible to open new regions to farming. But there is also a risk of more frequent droughts and increasing pressure from the United States for water diversions.

"With the projected changes in climate there'll be less water available," Street said. Like previous studies, this one warns there may be increased risk of storms, drought and other extreme weather events. It says the Canadian Forces may be called on more often to assist in natural disasters.

28) RESEARCHERS SEE GLOBAL WARMING INCREASING FIRE DANGER

UniSci

7-Dec-1998

Internet: <http://www.unisci.com/stories/19984/1207981.htm>

Fire danger has long been linked to climate, with hot, dry spells creating the highest risk. Concerns over the consequences of global warming were rekindled this year by the impacts of El Nino. Droughts linked to El Nino were followed by widespread, devastating fires in Florida, Indonesia, and elsewhere.

"The latest predictions suggest that global warming may also create conditions that intensify wildfire danger, by warming and drying out vegetation, and by stirring the winds that spread fires," Berkeley Lab

researchers say in a new report. "Faster fires are much harder to contain, and thus are more likely to expand into residential neighborhoods, incurring substantial damage to insured property."

Against the backdrop of concerns raised in the aftermath of this year's El Nino weather anomaly, the researchers with the U.S. Department of Energy's Lawrence Berkeley National Laboratory have released the first-ever analysis of the potential effect of global climate change on wildfires in California.

"In most cases, climate change would lead to dramatic increases in both the annual area burned by California wildfires and the number of potentially catastrophic fires -- doubling these losses in some regions," the researchers conclude. "These changes would occur despite enhanced deployment of fire suppression resources, implying that climatic change could precipitate an increase in both fire suppression costs and economic losses due to wildfires."

Commenting on the study, U.S. Energy Secretary Bill Richardson said, "This study is indicative of the mounting evidence that the potential effects of climate change can be wide-ranging and very costly."

Other parts of the country might be just as vulnerable as California, according to Margaret Torn of Berkeley Lab's Earth Sciences Division, one of the three scientists who conducted the study. "Our analysis shows how big an impact climate change can have, and suggests that future climatic conditions in other parts of the United States warrant concern and study," she said.

The other scientists who conducted this study were Evan Mills, with Berkeley Lab's Environmental Energy Technologies Division, and Jeremy Fried, an associate professor of forestry at Michigan State University. The study was sponsored by the U.S. Environmental Protection Agency.

Nearly 85-percent of all catastrophe-related insurance payouts result from natural disasters, with claims averaging about \$10 billion per year worldwide over the past decade. Wildfires are among the most pervasive of all the natural disasters, especially for California. According to studies by insurance agencies, of the 38 costliest U.S. wildfires between 1825-1995, 22 were in California. The state also ranks number one in terms of economic losses due to wildfire.

"These insurance exposures are increasing precipitously as human developments encroach further and further into the urban/wildland interface," Says Mills. "The \$2 billion Berkeley/Oakland hills fire of 1991 is a notable example." To evaluate the potential effects of global climate change on wildfire damage in California, the research team of Torn, Mills, and Fried combined local weather and fire data, validated fire and fire suppression models, and state-of-the-art general circulation models of global climatic change. "We tested the case in which emissions of the most important greenhouse gas, carbon dioxide, double their pre-industrial levels -- a state of affairs projected to materialize over the next five or so decades," says Torn.

Three regions in Northern California were examined, Santa Clara, the Sierra foothills, and Humboldt. Each features a distinct climate, and, together, harbor most of the vegetation types found in the American west, including grass, chaparral (scrub or brush), oak savanna, and mixed conifer and redwood forests.

Taking a conservative approach, the researchers only reported the results based on the climate change model that, out of two tested, predicted the least impact on wildfire. This model, from the Goddard Institute for Space Sciences, provides standard scenarios for climate change impact assessments used by government and university scientists around the world. "Climate change would cause fires to spread faster and burn more intensely in most vegetation types," the researchers concluded in their report. These faster, hotter fires could be expected to frequently escape containment, despite increased fire suppression efforts. This would result in many more acres being burned than under the current climate.

"The biggest impacts are seen in grass vegetation, where the fastest spread rates already occur," says Fried. "In forests, where fires move much more slowly, projected impacts are less severe." In their modeling, Torn, Mills, and Fried found that the most severe effects of global climate change were inflicted on the Sierra foothills where the predicted number of potentially catastrophic fires increased by 143 percent in grassland and 121 percent in chaparral.

"With the number of escaped wildfires more than doubling, climatic change could lead to a significant jump in fire damage in this region," the researchers reported. In the Santa Clara region, the number of escaped wildfires increased by 53- and 21-percent respectively in grassland and chaparral. Only in Humboldt, the third region examined, which is characterized by redwood forests growing in moist, foggy areas, was there little change in wildfire damage as a result of climate change. Even here, however, the analysis projected that fire-fighting costs would increase as a result of more intense fires.

Results of this analysis are being shared with the California Department of Forestry (CDF), which has been cooperating with the Berkeley Lab researchers throughout. Says Torn, "The CDF provided us with all of the fire and analysis-zone data we used and kept us informed about model updates. They have now begun to devote some time to this topic themselves." Berkeley Lab is a U.S. Department of Energy national laboratory located in Berkeley, California. It conducts unclassified scientific research and is managed by the University of California.

ON THE WEB

29) CLIMATE CHANGE AND HUMAN HEALTH INTEGRATED ASSESSMENT WEB (Johns Hopkins)

The Climate Change and Human Health Integrated Assessment Web, at <http://www.jhu.edu/~climate/>, provides recent and relevant information about the potential impacts of climate change through integrated assessment. This web site aims to appropriately characterize and communicate current scientific research to support policy development

and analysis.

30) SAFE CLIMATE, SOUND BUSINESS (BP, General Motors, Monsanto and WRI)

This report, at <http://www.wri.org/cpi/scsb/index.html>, was produced by British Petroleum, General Motors, Monsanto, and the World Resources Institute. They explored a variety of aspects to help understand the nature of the challenge and possible policy responses. They looked at scenarios to meet future world energy demand that show increasing and stabilizing greenhouse gas concentrations, and explored new technologies and potential business opportunities.

The project led to three principal conclusions:

- .Climate change is a cause for concern, and precautionary action is justified now.

- .Business can contribute to climate protection efforts in substantial, positive ways by helping to develop sound climate policies, by providing the research and technologies needed to address the challenge, and by taking actions to reduce and offset their own emissions.

- .Flexible and market-oriented climate policies that implement national commitments can address the long-term need to stabilize the concentration of greenhouse gases. Such policies can facilitate a Safe Climate, Sound Business outcome by stimulating innovation, early action, and cost-effective reductions. These policies can also produce multiple co-benefits and reduce the risk of climate change caused by human activities.

31) UPDATE ON POPULATION, CONSUMPTION AND CARBON DIOXIDE EMISSIONS

Population Action International

Profiles in carbon: an update on population, consumption and carbon dioxide emissions by Robert Engelman. Profiles in Carbon argues that the large disparities in per capita greenhouse gas emissions are central to the population-climate linkage. The report brings together year-by-year data on national populations and carbon dioxide (CO₂) emissions from fossil fuels to produce profiles of per capita CO₂ emissions for 179 countries over a 45-year period. The study also ranks the 145 countries with populations of more than one million by their 1995 emissions. The data include emissions from fossil fuel combustion and cement production, but not those from biomass combustion or land-use changes. Available from Population Action International, 1120 19th Street, NW, Suite 550, Washington, DC 20036 USA; tel: +1-202-659-1833; fax: +1-202-293-1795. The publication is also available on the web site at http://www.populationaction.org/why_pop/carbon/carbon_index.htm

32) RISING SEAS, COASTAL EROSION, AND THE TAKINGS CLAUSE

Maryland Law Review is about to publish a detailed economic, legal, and policy analysis of what people must do to adapt to global warming, as well as existing problems associated with coastal erosion and rising water levels. The paper is entitled, "Rising Seas, Coastal Erosion, and the Takings Clause: How to Save Wetlands and Beaches without hurting Property Owners." For a hard copy, please email me at titus.jim@epa.gov. An electronic version is available at <http://www.epa.gov/globalwarming/reports/pubs/sealevel/takings.pdf>. (Disclaimer: the contents of this law review article do not reflect

EPA's official view on the matter.)

The article spotlights the possibility that even though people often focus on the open ocean coast, it is the "hidden" bay coasts that could experience the greatest deleterious changes as sea level rises; and analyzes how to prevent rising seas from eliminating our estuarine beaches and wetlands. The policies are explicitly guided by the fact that future sea level rise is uncertain. The paper also provides the first national exposition the "rolling easement," a term borrowed from the common law of Texas.

32) EUROPEAN COMMISSION DG-XI PRESS RELEASE ON COP-4
November 14 1998

Internet: <http://europa.eu.int/comm/dg11/press/ba.htm>

Climate change after Buenos Aires: The process to combat global warming was reinforced and continues to move forward

Kyoto was a remarkable breakthrough - for the first time legally binding reduction commitments of greenhouse gas emissions were agreed. The European Union always knew that Kyoto would be a hard act to follow. And always realised that there was no way that Buenos Aires would be another quantum leap. The outcome of Buenos Aires must be assessed on that basis. EU has been determined to show leadership - and has worked very hard over the last week with other delegations - notably the G77 and China to whom not enough attention was paid in Kyoto. On this basis we managed to get a result which will continue to move the process forward.

The EU wanted to keep the momentum from Kyoto. Keep the fight against global warming firmly on the agenda with ordinary people. Ensure continued participation from the business community. Continue to work closely with environmental NGO's. And make clear to political systems across the world that they have no choice but to take global warming seriously. The EU wanted to solve as many problems in Buenos Aires as possible to get ahead with the work of transforming the legal commitments from Kyoto into genuine greenhouse gas emission reductions. And the EU wanted to adopt an Action Plan or Mandate to guide our further work and to keep us on the fast track.

The Conference made concrete progress on a number of issues, such as:

- .transfer of technology - where a 4 year deadlock has been broken. It outlines a process on how to overcome the barriers to transfer of environmentally sound technology and
- .compliance - where there now is a common understanding by all Parties that a strong and comprehensive regime is needed to ensure an effective implementation of the Kyoto Protocol
- .adaptation - where vulnerable countries will receive further support from the Global Environment Facility to plan concrete measures to adapt to adverse impacts of climate change

The Conference adopted a Buenos Aires Plan of Action, including deadlines on a number of important issues, such as:

- .financial mechanisms - which will assist the developing world to respond to the challenges related to climate change,
- .further work on policies and measures - which is now firmly established on future conference agendas.
- .development and transfer of technologies - which will assist developing countries in not repeating environmental mistakes in the developed world,
- .rules governing the Kyoto mechanism s on emission trading, Joint implementation and with a priority to the Clean Development Mechanisms - which is essential to safeguard the environmental benefits of these mechanisms,
- .a solid promise to discuss number of particular concerns to the EU - such as complementarity, ceilings, long term convergence and equity.

At the close of the Conference Commissioner for the Environment Ritt Bjerregaard said:

"We would have wanted to achieve more - you always do. But this was what we could push the other Parties in the Conference to agree on. The EU showed real leadership - supported to a large extent by the Candidate Countries, G77 and China. We moved the process forward - and it was uphill most of the way. But it could have been a whole lot worse - and the outcome is not a total success for any one Party. Rather it is a success for the global process - and at the end of the day that is the only thing that counts. Nothing has been left out in the cold - and all of the important issues for the EU can still be resolved in a satisfactory way. The basic situation is unchanged: Climate change is as important as ever. Global warming remains a serious threat to the future of our planet. But we are continuing down the way to solve the problem. We still need primacy of domestic action. We still need genuine commitments from all industrialized countries. We still need to work closely with developing countries in addressing their needs. We need to continue the fruitful co-operation with industry. And we still need to work further for strict rules on emissions trading."

The President of the Council, the Austrian Federal Minister for the Environment, Youth and Family Affairs, Martin Bartenstein point out:

"In Kyoto, we agreed on concrete reduction targets of greenhouse gas emissions of the industrialized countries. In Buenos Aires we kept the momentum of Kyoto by establishing an Action Plan and deciding on other important measures like the elaboration of a compliance system. We furthermore reached agreement that the development of the Kyoto mechanisms will be in parallel and priority is to be given to the Clean Development Mechanism. Although the expectations from the public were low, we adopted a well-balanced future-oriented program. The EU stays determined to the process of elaborating a global climate policy, which is based on the partnership of all countries"

COMMENTARY AND ANALYSIS

34) HOT AIR ON CLIMATE CHANGE

Washington Post

Monday, December 7, 1998; Page A25

Internet:

<http://www.washingtonpost.com/wp-srv/WPlate/1998-12/07/0121-120798-idx.html>

By Stuart E. Eizenstat and Frank E. Loy

H. L. Mencken once said that "a cynic is a man who, when he smells flowers, looks around for a coffin." In his Nov. 20 op-ed article, "Kyoto Shell Game," David Victor demonstrates the relevance of Mencken's dictum, stringing together a variety of criticisms as to why last year's Kyoto Protocol will not work to control emissions of the greenhouse gases that most scientists believe are causing global warming.

Victor argues that the protocol will result in a financial windfall for Russia and Ukraine; that the two-year plan agreed to at last month's climate change conference in Buenos Aires for shaping the protocol's operational framework is too short and finally, that the Clinton administration is wrong to insist that developing countries participate in meeting the challenge of climate change. None of these criticisms survives close scrutiny.

The Kyoto Protocol is a market-based agreement that commits the industrialized world to national targets that will result in an aggregate 5.2 percent reduction in greenhouse gas emissions below 1990 levels by 2008 to 2012. Targets for the developed countries are differentiated: Some must reduce their emissions below 1990 levels; some, such as Russia and Ukraine, must freeze emission levels; others are allowed emissions exceeding 1990 levels. Under the protocol's emissions trading system, countries where it is relatively inexpensive to meet the targets can sell emission allowances to countries where reducing emissions is expensive. Similarly, the protocol's Clean Development Mechanism allows industrialized countries to earn credits by investing in clean-technology projects in developing countries.

Victor apparently concurs with most analysts that Kyoto's market-based mechanisms are essential to meeting the challenge of climate change at the lowest possible cost. These mechanisms also create incentives for all countries to make deeper, faster cuts in greenhouse gas emissions and to adopt better policies and clean technology.

What troubles Victor is that dramatic economic downturns in Russia and Ukraine will give those nations a lot of emissions allowances to trade. His point can be made more broadly: The European Union and Germany also will find it easier to meet their targets because of lower emissions resulting from the collapse of the former East German economy.

But the suggestion that these countries will receive a "windfall for doing nothing" misses the point. First, Victor ignores the critical fact that trading will give financially strapped economies strong incentives to use cleaner technology and improve energy efficiency. One of the crucial features of trading is that it provides a continuing incentive for countries or companies to reduce emissions even if they have met their targets, because they can sell their excess allowances.

Moreover, Victor's argument fails to appreciate that Kyoto's combination of differentiated targets and market-based mechanisms for meeting them was part of an ambitious, intensely negotiated framework. Going back to square one and "renegotiating the whole Kyoto deal" -- as Victor suggests -- makes no sense.

Victor also disdains the notion that effective systems for monitoring and enforcement can be established within the two-year timetable agreed to in Buenos Aires. But creating the structure for emissions trading, while complex and arduous, is also both doable and necessary. Nations need to know what they are agreeing to when they ratify the protocol. Drawing on the experience of our own highly successful domestic acid rain emissions trading program, the United States is committed to building a trading system with integrity -- not one that is "half-baked" or a mere "shell game." Victor also ignores the fact that "full-blown emissions trading" will not start until almost a decade from now -- plenty of time to fine-tune the system.

Victor's more fundamental disagreement with the administration is that our policy places too much emphasis on securing the participation of the developing countries in the fight against global warming. He even argues, "It is only proper that developing countries get a free ride for now."

But the developing countries' participation in this fight is not a political nicety -- it is an environmental necessity. Early in the next century, emissions from the developing world will surpass those from developed nations. Moreover, Victor's free ride would be a costly disaster for developing nations themselves. Environmental problems put off today would strangle growth and devastate the environment tomorrow.

Argentina's pledge last month to take on a binding emissions target was no "vague and irrelevant promise" but a commitment -- followed by one from Kazakhstan and two of the small, vulnerable island nations -- that represents a critical step on the path to greater participation of developing countries.

Where Victor and the administration agree is on the need for the United States to lead the way on climate change. The administration has initiated or expanded more than 50 programs since 1993 that are improving U.S. energy efficiency and accelerating research and development into renewable energy sources. This fall President Clinton secured more than \$1 billion in funding for climate-related programs. Next month he will request more from Congress -- aiming, as Victor suggests, to "spawn new technologies" that will put us on a path toward lower greenhouse gas emissions.

The writers are, respectively, undersecretary of state for economic, business and agricultural affairs; and undersecretary of state for global affairs.

35) BIG PROBLEM, BIG PROBLEMS: GETTING TO WORK ON GLOBAL WARMING
New York Times
December 8, 1998

Internet: <http://www.nytimes.com/library/national/science/120898cush.html>

By JOHN H. CUSHMAN JR.

WASHINGTON -- A year ago, representatives of more than 150 nations faced a midnight deadline in Kyoto, Japan, for talks on an agreement to cut emissions of the gases that scientists warn may be warming the planet. After delegates caucused, argued, slumped and snored through the night -- and toward lunchtime, a pact was reached when the session's chairman decreed that an important conflict would be dealt with later.

In November of this year, delegates from the same nations gathered in Buenos Aires to set a timetable to carry out the pact. Afterward, delegates were heartened by the progress they had made; they broke up in time for breakfast, with a firm agreement to work a few more years on the pact's biggest obstacles.

Such is the current status of the international effort to limit global warming: the work that has been done has produced a consensus that something will come of the Kyoto gathering. But the conflicts that clouded the accord have not grown easier to resolve, and time is racing by.

The United States, long the leading emitter of greenhouse gases, is caught up in this delay. To be sure, the highlight of the Buenos Aires conference was the Clinton Administration's signing of the Kyoto accord. But the American representatives made it clear that they would not submit the agreement to the Senate for approval until many of the Administration's demands are met.

Negotiators at the conference settled on an ambitious two-year timetable for resolving those and other sticking points. But that means approval cannot come until after the 2000 elections, if it occurs at all.

"Kyoto is not dead," said Eileen Claussen, a former State Department negotiator who is the executive director of the Pew Center on Global Climate Change, a public-interest group. "But I don't know if this can be done in two years."

Michael Oppenheimer, a climate expert for the Environmental Defense Fund, an advocacy group that favors the treaty, said: "If significant progress is not made by the year 2000, we will never make the 2008 deadlines of the treaty. We have to get the rules in place, or the time will slip away."

Groups representing fossil-fuel producers and users are even more skeptical. "I don't think the protocol is ever going to be ratified," said Connie Holmes, the chairwoman of the Global Climate Coalition, which opposes the agreement. "In about 2001 or 2002, people are going to say, 'My God, we can't do this, let's stretch this thing out.' You need more time if you are going to change as radically as this."

Without the United States on board, the world will not meet the targets of the Kyoto Protocol, which calls for industrial countries to drastically cut their greenhouse gas emissions between 2008 and 2012. The United States is supposed to cut its emissions by more than a third, to a level 7 percent lower than 1990. But the Americans are insisting on commitments from the developing world, and on a complex scheme for trading emissions permits and credits. "On all these issues, the biggest obstacles are political, not technical," Ms. Claussen said. "Technical people could sit down and work out the details. But it all boils down to politics and sovereignty." Here are the main issues that need to be resolved in the Kyoto Protocol:

The Third World's Role

PROBLEM: The United States and other developed nations account for about 60 percent of industrial greenhouse gases given off each year. But developing nations, led by China and India, are expected to catch up in about 15 years. By mid-century, they will account for most of the long-term buildup of gases that threaten the climate.

SOLUTION: The United States says that the least expensive way to head off global warming may be to cut future emissions in other countries overseas. To entice third-world nations to pursue such a path, America favors a "clean development mechanism," which would give donor nations credit for foreign aid or investments that cut emissions in developing countries.

OBSTACLE: China and India are still resisting calls for big developing countries to promise emissions cuts. African and Latin American countries are more interested, but they want guarantees that they will get their share of the aid.

OUTLOOK: "The monolithic phalanx that we saw in Kyoto in opposition to any and all participation has completely broken down," said Stuart E. Eizenstat, the chief American negotiator. In Buenos Aires, Kazakhstan and Argentina agreed to commit themselves to reductions.

International Trading

PROBLEM: It will cost a lot of money to control greenhouse gases -- especially on the rapid timetable that the United States is being asked to meet. If these costs are too high, the Senate will not support the treaty.

SOLUTION: Many economists say the way to keep costs down is to let countries buy and sell emissions quotas, making the deepest cuts where it is cheapest to do so. The United States would be able to buy its way into compliance with the treaty by paying other industrial countries, like Russia, to cut emissions more than the treaty required.

OBSTACLE: European nations are the biggest opponents of unfettered trading in emission credits. They are demanding that the United States achieve at least a majority of its emissions reductions within its own borders. Many third-world nations, too, have objected that it is unfair

for rich countries to buy their way out of treaty obligations.

OUTLOOK: Oppenheimer at the Environmental Defense Fund, which favors emissions trading and other market-based pollution controls, says that other nations, realizing how important trading is to the United States, are "holding it hostage" as a bargaining chip. But schisms among developing nations are weakening their resistance, and Europeans are recognizing that they need to make concessions to the Americans if the treaty is to work.

Credit for Early Action

PROBLEM: Every year that goes by without controls on greenhouse gas emissions makes it harder for the United States and other industrial nations to comply with their targets. Emissions in the United States are currently 10 percent higher than they were in 1990; they rose 1.4 percent in 1997, and the Energy Department expects this trend to continue for another 20 years.

SOLUTION: Many companies have already invested in energy saving and other approaches to cut their emissions, or are planning to do so soon. To encourage early reductions, legislation has been introduced to give these companies credits for their reductions, which could be used or sold if binding limits on emissions were imposed.

OBSTACLE: Many treaty opponents in Congress have fought policy measures, like tax cuts. They have even fought voluntary steps that suggest back-door implementation of an unratified treaty.

OUTLOOK: Big companies, even some that would prefer no binding limits on emissions, are lobbying hard to get credits for early action, just in case. "This is really the one area involving the whole issue of greenhouse gases where I think everybody ought to be able to agree," said Todd Stern, the White House official who coordinates the Administration's climate policy.

Finally, participants are wondering how the American Presidential elections will affect the negotiating timetable -- especially the aspirations of Vice President Al Gore, the world leader most closely associated with the fight against global warming.

"How does the process of moving toward the year 2000 play with the Presidential election campaign, and with President Clinton's known desire to make progress before he leaves office?" Oppenheimer asked. "Those questions are not imponderable, but they are very big factors, and they make it very hard to figure out where the process will be two years from now."

EDITOR'S NOTE: The New York Times is featuring a special section on "The Natural World" at <http://www.nytimes.com/library/national/science/index-natural.html>

36) TAKING STOCK OF GREEN TAX REFORM INITIATIVES
Environmental Science and Technology

The call for carbon and energy taxes to control CO₂ emissions has sparked national and international debate. Since the Kyoto meeting, carbon and energy taxes are becoming more popular in some European countries as a cost-effective way to reduce CO₂ emissions. They are also seen as a way to address problems of high unemployment. Tax revenues are often used to reduce labor costs, a move that many believe should strengthen economic competitiveness and combat unemployment.

But the environmental effects of control measures are proving difficult to establish, and there are uncertainties about economic benefits. This April, a Norwegian government white paper on national implementation of the Kyoto Protocol outlined a concrete proposition on new green taxes and indicated a general strategy to combat climate change. The planned CO₂ tax rates and a tax on waste disposal would reduce the expected rise of emissions 3% by 2010. Although unemployment is not a problem in Norway--the current rate is about 2%--energy-intensive industries are facing international competition. "These industries are highly mobile, and they are situated in places in Norway where they might be the major employer," explained Knut Thonstad, deputy director general in the Ministry of Finance.

Norway is not alone in the debate about taxation benefits. In Finland, CO₂ taxes (used since 1990) are part of the government's strategy to reach the Kyoto goal. The tariffs have not yet prevented rising emissions as a result of strong economic growth, and there have been no comprehensive evaluations of environmental effects. Studies of economic benefits of the taxes generally indicate positive effects on employment. This is important in Finland where unemployment, although decreasing, is still high. The rate was 10.2% in August.

Unemployment is also an important issue elsewhere. Political parties in Germany have hotly debated the use of energy taxes as a means to fight the country's high unemployment, which is more than 10%. However, despite unemployment concerns, worries about competition in the international marketplace have diminished prospects for introduction of green tax reform initiatives. "We want a common EU-wide CO₂ and energy tax that is revenue neutral and doesn't have any exemptions for member states," said Sigfried Breier, speaker of the Ministry of Environment. This is not likely to happen soon, as a result of problems European Union member states have had in seeking to reach unanimous agreements. Also, warned Hans-Olaf Henkel, influential president of the Federal Association of German Industry, even common European carbon taxes would force industry out of the country. Germany shares a long border with countries that are not members of the European Union. Henkel believes, for example, that the cement industry would relocate to Eastern Europe. To prevent the government from introducing new taxes, industry has promised to voluntarily reduce specific CO₂ emissions by 20%, based on the 1990 level, by the year 2005. However, this step was forced by the threat of a tax, and some researchers believe that industry promises less than what will occur anyway in a business-as-usual scenario (1).

Green tax reform has begun in other Western European countries or is in the process of being introduced. Generally, Western Europe is leading in greening its tax systems, some Eastern European nations are trying to catch up, and the rest of the world--if interested at all--seems to be waiting and watching to see what experiences emerge.

Green tax trends in Europe

Strong tax measures in Norway

Norwegian emissions of greenhouse gases may not, according to the Kyoto Protocol, exceed the 1990 emission level by more than 1% during 2008-2012. Without the introduction of new control measures, however, it has been calculated that in this period, emissions will rise by 20% above the 1990 level. To prevent this from happening, the Norwegian government's green tax proposition calls for CO₂ taxation in sectors that are currently exempt and an increase in the tax rate to 100 NOK (\$13.3) per metric ton for nonexempt sectors where the rate is currently lower. Government estimates suggest that the new measures would reduce CO₂ emissions by about 2 million metric tons. In addition, to limit methane emissions, a tax of 300 NOK per metric ton of waste delivered for final disposal is proposed. The additional tax revenues will be used to lower taxes on income and labor, as well as to reduce employer contributions to social security.

This June, the Norwegian parliament expressed support for many of the principles of the government white paper. A majority of parties accepted the waste tax and the extension of carbon taxes to air traffic, domestic ships, and the supply fleet. "But they rejected the introduction of CO₂ taxes for previously exempted industries," said Anne Beate Tangen, advisor in the climate and energy section of the ministry of the environment. Instead, the parliament asked the government to set up a public commission to evaluate a system of tradable quotas for industry. The commission will address issues such as quota distributions to existing firms and treatment of new firms.

Independently of these new plans, in July, the parliament (by approving a proposal from the government) increased existing taxes on oil and gas production on the continental shelf. The move is highly criticized by industry. "The oil and gas industry pays about 3 billion NOK a year in CO₂ taxes," said Maiken Ims, director of public affairs of the Norwegian Oil Industry Association. "This CO₂ tax doesn't help the environment because it goes anonymously into state finances. Companies should instead negotiate agreements with the state. We would rather spend money directly to improve the environment instead of paying a CO₂ tax," she said.

The Norwegian government, on the other hand, believes that the CO₂ tax has been effective. It cites a study by Statistics Norway that during the period 1991-1993, emissions from households, transport, and mainland stationary sources may have been 3-4% lower than they would have been without application of the CO₂ tax. The price of heating oil and petrol changed by about 15% and 10%, respectively, as a result of the taxes (2).

Tax overhaul in Finland

Finland's reduction target for greenhouse gas emissions inside the recently negotiated European Union bubble is a 0% change compared with the 1990 level. In the EU bubble agreement the EU divides its overall commitments for the period 2008-2012 among the member countries. To reach this goal, the country recently elevated taxes markedly, and the country's entire taxation system was changed.

Finland was the first country in the world to introduce a CO₂ tax. It did not differentiate between uses (electricity or heat production) or between users, such as households and industry. Fuels (carbon inputs) were taxed, but energy outputs (electricity) were not taxed. Timo Parkkinen, senior economic advisor in the Department of the Environment, thinks that this system was environmentally very effective because it provided a strong incentive to choose low-carbon fuels for electricity production.

After its entry into the European Union, however, the country had to modify its system because it was infringing Community law. "Even more important was that the competitive position of Finnish industry and domestic electricity production was suffering from the tax system, which was very different from that in the rest of Scandinavia," said Jukka Saarinen, senior advisor in the Ministry of Trade and Industry. To address this issue, since the beginning of 1997, electricity consumption has been taxed instead of fuel used for its production. An additional necessary reform measure is that the tax rate for industry and greenhouse cultivators is now only 61% of the tax rate for other users. Markku Nurmi, director general in the Finnish Ministry of Environment and vice chairman of the European Environmental Agency is not happy with the reforms. "Our old system had a very beautiful and clear structure," he said. "There were no exemptions. It promoted renewables and helped the replacement of coal by gas. The tax was very easy to raise year after year, and you had a predictable perspective for industry in the long run," he explained.

Speaking of modifications to the tax system he noted that, "The new model is very complicated. It is difficult to predict future rates." Regarding the ecological effectiveness of the taxes, Nurmi commented that electricity prices are very low in Scandinavia despite the taxes. "If you place a small tax on an already low energy price, it is hard to see an effect," he explained.

This September the carbon tax on heat and traffic fuels was raised by 24% to FIM 102 (\$19.2) per metric ton of CO₂. The tax rate increase for electricity will be of a similar size. "The revenues are not earmarked to any specific purpose," explained Saarinen. However, the government of Prime Minister Paavo Lipponen stated in its April 1995 program that the lower taxation of labor will be compensated to a considerable extent by new environment taxes.

Swiss multistep tax reform

Switzerland is approaching the need for green tax reforms through a series of steps. To enable reform, the Swiss Environmental Protection Law was revised in 1995 and now contains the possibility to introduce market-based instruments. Revenues from these kinds of levies are to be

returned to taxpayers. This year sees the first applications of the new law: A special tax on light fuel oil with a sulfur content exceeding 0.1% has been in effect since July, and a tax on nonmethane volatile organic compounds will enter into force in the beginning of 2000.

A key element of Swiss climate change policy as it aims at the future is the Law on the Reduction of CO₂ Emissions, which was adopted by the government in March 1997. Parliamentary debate about the law has been ongoing since September 1997. Christian Albrecht, a member of the economy section in the Swiss Federal Administration (Bundesverwaltung), stated his belief that "After Kyoto the chances for implementation have been increased markedly." The law includes a creative approach to gently coerce energy consumers to minimize consumption. It sets a specified objective for the reduction of CO₂ emissions by 2010--a 10% reduction compared with emissions in 1990. The reduction is to be achieved through numerous measures, including a mileage-related tax on heavy vehicles and a surcharge on motor fuel excise duty to finance new construction for public transport. Most importantly, the law counts on voluntary emission reductions by industry and public sectors to avoid draconian CO₂ taxes.

A tax will be introduced--at the earliest in 2004--only if other measures prove inadequate to reach the CO₂ reduction goal. The tax rate will depend on the CO₂ reduction that in 2004 still needs to be achieved. Presently, the maximum level for motor fuels and combustibles is very high: sfr 210 (\$142.6) per metric ton of CO₂. Industry, which prior to the introduction of new taxes, engaged in voluntary limitations of CO₂ emissions, will be exempt from paying these taxes.

Prognos, a research institute located in Basel, predicts positive effects on economic growth and employment as a result of the new Swiss policy (3). The unemployment rate is currently about 5%. The Swiss Association of Trade and Industry, Vorort, also supports the CO₂ tax. "We support the law because industry is given the opportunity to find the most effective ways to reduce emissions," said Rene Buholzer, an economist and member of the association board. "The threat of high taxes is very important to create the necessary pressure for voluntary agreements to be implemented," commented Albrecht. He noted that effects of the announced law can already be seen: CO₂ emissions in Switzerland have been stable recently, partly due to the voluntary reductions achieved by industry. A more important factor, however, is the economic recession in Switzerland, which has been ongoing for seven years. The CO₂ tax does not cover electricity generation, which in Switzerland is mainly produced by hydropower and nuclear power.

In August, however, a parliament commission suggested that the design of the CO₂ law should be changed. They do not want the CO₂ tax to enter into force automatically--if necessary--in 2004. They prefer instead at that time to allow parliament to again decide about its introduction. This would of course leave a loophole and diminish pressure on consumers and industry to reduce emissions. The decision on the final design of the CO₂ law has not yet been made.

Market-based instruments in the United Kingdom

A government task force was appointed in the United Kingdom (U.K.) this April to conduct research into whether market-based instruments are advisable to lower industrial CO₂ emissions. Two leading options are a trading scheme and an industrial energy tax. The commission is headed by Sir Colin Marshall, chairman of British Airways and president of the Confederation of British Industry. Its report is due this November.

"Within industry and commerce, economic instruments potentially offer a flexible, dynamic, and cost-effective way of improving energy efficiency and delivering emissions reductions," said Marshall. "The government believes, and I accept, that voluntary approaches alone are unlikely to deliver results on the required scale." The task force issued a consultation paper (4) and requested comments of interested parties. Previously, the United Kingdom opposed common European energy taxes, but the new Labor government has promised to reform the tax system, and, over time, shift the burden of tax from labor to environmental damage.

One direct measure of the government's intention to initiate green tax reforms has been the raising of the yearly increase in fuel duties from 5% to 6%. In two years, this will cause the United Kingdom to have the highest petrol prices in the world. The government considers this measure a significant contribution toward meeting its target for a 20% reduction in CO₂ emissions by 2010. It is calculated that the tax increase will produce additional savings of about 2.5 million metric tons of carbon annually by 2010.

Market-based instruments are used not only to influence energy consumption but also to influence other environmental behavior. The October 1996 landfill tax--the nation's first tax with an explicit environmental purpose--was revised in March 1997. As a result, the standard tax rate will be increased from 7 pounds (\$11.7) per metric ton to 10 pounds (\$16.7) per metric ton beginning in April 1999. Two green tax initiatives are planned for inclusion in the next government budget: a tax on landscape damage by quarrying of aggregates (stone, sand, and gravel) and water pollution charges. Revenues are not directly earmarked for any purpose.

Reforms, revisions, and studies

The European forerunners of green tax reform, Denmark, The Netherlands, and Sweden, are continuing to revise and study their tax systems. Green taxes account for about 14% of total national taxes (about 3.2% of gross domestic product) in The Netherlands. A December 1997 white paper was sent to parliament outlining options for a major tax reform, including a further shift (about 0.6% of GDP) from the income tax to environmental taxes.

Despite a history of experience with green taxes, effects are still hard to measure. There are, however, some evaluations. At the request of the Dutch Green Tax Commission, the Environmental Planning Agency (Reijksinstituut voor Volksgezondheid en Milieu or RIVM) made model calculations of the environmental effects of the general fuel tax. RIVM estimated that CO₂ emissions in The Netherlands would have been 1.7 million metric tons higher in 1994 without the fuel tax (5).

In Denmark there is now an ongoing evaluation of the ecological and economical effects of the CO₂ tax package on industry that was introduced in 1996. "The problem with the evaluation is that we had only two or three years of experience to base it on. That is a very short time to see any effects," said Jens Madsen, head of the energy savings and industry section in the Danish Ministry of Environment and Energy. Nevertheless, the preliminary results of the present evaluation already show some positive effects on CO₂ emissions. However, energy taxes on households have been applied for a period of years, and a model analysis of their effects has been performed. It indicates a reduction of residential net energy consumption of about 15% from 1966 to 1991 (6). Denmark's waste tax has also proved to be successful. It reduced the amount of waste by 26% from 1987 to 1997, and recycling has increased appreciably (7).

Sweden also draws positive conclusions from its experience with green taxes. The Green Tax Commission, referring to data of the Swedish EPA, concluded that 60% of the 8-million-metric-ton CO₂ emissions reduction that was achieved between 1987 and 1994 can be attributed to the nation's CO₂ tax. This amounts to 11% of total Swedish greenhouse gas emissions (8). However, it found only a modest effect on petrol consumption. On the basis of model calculations analyzing petrol consumption and 1981-1994 fuel price data, the tax commission concluded that a petrol price increase of 10% will decrease the demand for fuel by only 1.2%-1.5%.

Kai Schlegelmilch, an economist at the Wuppertal Institut, a leading research center on green tax reform in Wuppertal, Germany, explained the difficulties in identifying the effects of energy or CO₂ taxes: "Not enough time has passed since the introduction of these taxes. Carbon or energy taxes are not supposed to create a shock effect but instead only slowly restructure the economy and fiscal system. They are mainly effective in the long run. Moreover, the tax levels are still too low to see a substantial effect."

Paralleling developments in individual countries, in March 1997 the European Commission presented its third draft directive for common European minimum energy taxes. It is currently before parliament for comment and opinion. The directive has a threefold purpose: reducing CO₂ emissions to contribute to achieving the common Kyoto goal of 8% below 1990 levels, improving the functioning of the internal market by tax harmonization, and lowering labor costs to fight unemployment. However, an environmental expert in the European Commission remarked that the tax rates are not high enough to have a substantial environmental impact. "But neither are they high enough to prompt adverse economic consequences," he noted.

The Commission has calculated a slightly positive effect on GDP across the European Union of up to 0.38%, as well as the creation of up to 717,000 additional jobs by 2005. CO₂ reductions attributable to this tax would then be about 1.6% per annum.

During the British presidency of the European Union, the directive was

not on the agenda. Subsequently, with the Austrian presidency, negotiations for the directive were immediately revived. The European Union Commissioner for indirect taxation, Mario Monti, met in July with senior civil servants from member states to gain some kind of political compromise on the tax proposal. However, negotiations proved to be difficult because member states and especially poorer member states--so-called cohesion states--are looking for special exemptions. What is now being discussed is an exemption in the form of zero tax rates for certain fuels, with preagreed increases later on.

This slow but steady progress in initiating reforms is mirrored in the activity of some European nations. Green tax reform has begun or is in the process of introduction in Belgium and Austria. In Germany, although green tax reform has now been discussed for decades, observers such as Schlegelmilch consider prospects for any implementation quite low because of strong opposition by only a few energy-intensive German industries. France is also known to oppose ecological taxes, but recently this attitude has begun to change, and this year the French Ministry of the Environment has issued a favorable report (9).

The German Wuppertal Institute, which organized an international seminar on ecological tax reform in Slovenia in April 1997, observed first steps toward green budget reforms in Central and Eastern European countries, notably in Poland, Hungary, and Slovenia (10). "These countries have two incentives for green taxes. First of all, they have to increase their energy taxes if they want to become members of the European Union. Secondly, they often have poorly structured fiscal systems, so they look for new sources of revenue," said Schlegelmilch. Slovenia, for example, introduced a CO₂ tax in 1997 that increased prices on fuels between 3-11%. In the beginning of this year the tax rate was suddenly tripled, which led to widespread protests. The revenue was mainly used to put ailing refineries back on a solid footing.

Schlegelmilch also noted interest in ecological tax reform in China to improve the catastrophic environmental situation in many parts of the country. Korea has introduced two minor environmental taxes.

Schlegelmilch does not see any prospects for green tax reform in the United States at the federal level of government, but notes that at the state government level a variety of environmentally related levies exist. In summary, he believes that the only viable way to institute reforms in the United States is to cut environmentally destructive subsidies.

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37) RETHINKING ENVIRONMENTALISM

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By Dianne Dumanoski

"No ecosystem on Earth's surface is free of pervasive human influence,"
leading ecologists reported in the journal Science last year. These are
dark times on the environmental front. What were just bad dreams in the
summer of 1988 fill newspaper headlines in the summer of 1998. As
anticipated, the punch of global warming is hitting faster and harder
at high latitudes. Alaska is already melting. The average temperature
there has jumped five degrees Fahrenheit in the past 30 years. The New
York Times, which has been loath to alarm its readers about the global
warming over the past decade, reports soberly that Alaska's glaciers
are retreating rapidly, the permafrost is thawing, and the broad

stretches of white spruce forest are dead and dying. Between a third and a half of the white spruce have succumbed to climate-related damage.

Events are now unfolding pretty much as scientists predicted when global warming first captured public attention 10 years ago. That summer, while the Midwest baked in record drought and Yellowstone was going up in flames, I covered one scientific meeting after another on climate change, each more depressing than the preceding. So far, the scientific forecasts I chronicled for The Boston Globe have been off in only one respect. Timing. It is all happening faster than anyone expected.

Such disturbing news should bring on a new bout of despair. But I find myself feeling strangely expectant and even a bit hopeful. In my bones, I'm convinced a profound transformation is already beginning -- a shift comparable in scale to the Renaissance and the Enlightenment, which remade the mental and physical worlds and launched modern civilization. Our current way of life emerged from a cultural earthquake that brought down a world view and shattered the foundations of the existing order. Now the plates are shifting again deep beneath the surface. This is a hinge of history, a time that demands bold voices, vision, and leadership to nudge the flow of change in promising directions. Unfortunately, the American environmental community has yet to rise to the challenge of this unique historical moment.

For more than a decade now, I've been struggling to get a fix on this worsening environmental crisis -- an exploration that began in earnest in the mid-1980s as I was covering the scientific effort to discover the cause of the yawning hole in the Earth's ozone layer. When flights into the vortex over the South Pole pinned the blame on manmade chemicals called CFCs, the expedition report answered the scientific question but confronted the world with much more profound and disturbing ones. I stared into the ozone hole and listened to the rumblings of climate change in the distance. This marked a watershed in human history, I was sure. The weight of our civilization has become so great, it now ranks as a global force and a significant wild card in the human future along with the Ice Ages and other vicissitudes of a volatile and changeable planetary system. Crossing this fateful great divide, we now move into uncharted territory. A glimpse of this truth threw everything suddenly into question.

How, I wondered, had we arrived at this juncture? What does it say about us? Who are we anyway? Can we come to grips with our fundamentally changed situation? How do we make the dangerous passage that lies ahead?

After exploring these questions from many different angles, here's how I see our situation. A fundamental shift of some kind is unavoidable because the bedrock assumptions of our civilization are increasingly at odds with the world we now inhabit. The Antarctic ozone hole, which was discovered in 1985, marked the official arrival of this radically new reality which has been emerging since World War II. Humans now dominate the planet. As leading ecologists reported in the journal *Science* last

year, "no ecosystem on Earth's surface is free of pervasive human influence." Over the past decade, world political leaders have mustered some response to immediate threats like ozone depletion and global warming. But at a deeper level, our now global human culture has only just begun to fathom the implications of this unprecedented situation. A planet spinning unsteadily under pervasive human influence presents a new kind of environmental challenge -- one unlike any humans have encountered. To make a future in this profoundly altered landscape, we will almost certainly have to do more than negotiate global treaties to remedy specific symptoms of planetary breakdown. In the longer term, it seems to me, we will have to reinvent ourselves and our global civilization in the light of our changed circumstance. Viewed from across this great divide we have crossed almost unnoticed, the deepest impulses and assumptions in the contemporary world seem not just quaint, but dangerously obsolete.

Confusion, conflict, crisis

Despite growing recognition of this environmental crisis over the past three decades, a profound confusion persists about the ultimate stakes. It is true that industry has mounted disinformation campaigns to sow confusion in the public debate. But environmental advocates and activists have unwittingly added to the muddle. In truth, what we call the environmental movement hasn't been a movement at all. It's been a hodge podge of efforts on many fronts that has lacked direction and any overall coherence. And for all its passion, valiant efforts, and not inconsequential victories, environmental activism over the past 30 years in the U.S. has been losing ground in the battle to stem this crisis.

Even worse, I fear that environmental campaigns that have captured public imagination -- such as the worthy battles to save wilderness, rainforests, and dolphins -- have helped foster the impression that this crisis is primarily about distant places and creatures rather than about the natural systems that support our communities and the larger human civilization. This focus on a "nature" remote from our daily lives has reinforced a dualism within our culture -- which imagines a nature separate from the places where we live our lives and makes it difficult to perceive our situation clearly. President Clinton's grand symbolic gesture on the environment during his 1996 reelection campaign -- his trip to Utah to announce a decision to protect the Grand Staircase-Escalante National Monument -- speaks volumes in this regard. If this is what his political advisors think will play with voters and the environmental community, it is a troubling sign indeed. The nature that we need to save is not a place and the highest stakes, in my opinion, are not endangered species or stunning pieces of red rock desert, though these are precious indeed. This double vision supports the comforting delusion that we can somehow save half the world while the degradation accelerates elsewhere and it obscures the reality that the human civilization we pass on to our children and grandchildren is also in profound jeopardy.

In recent years, the concept "sustainable development" has provided a new and valuable focus for environmental debate. One might take issue

with the term and its implicit bias toward economy rather than ecology, but, for all its flaws, this vague goal does reflect a growing recognition that the environmental crisis is first and foremost a crisis for humans and our current civilization. I don't think this smacks of "anthropocentrism," but rather a sober realism.

Let me return now to the question of environmental activism. Why have environmental efforts over the past 35 years fallen short? How can this concern and energy be mustered so that it does meet the challenge of these times? What can this political, philosophical, and spiritual tradition offer as we reinvent civilization?

As I see it, the new wave of American environmental activism born in the late 1960s has been floundering about for the past three decades in part because it is mired in an unresolved philosophical crisis and a stalled transition. This crisis, which surfaced in the shadow of the bomb and the chemical revolution after World War II, arose because it became increasingly difficult to sustain the dualism -- which divides the world into sacred nature and profane lands of human habitation -- that has long been a part of the Romantic tradition and environmental thought. To understand this double vision, one needs to know a little bit about its origins. Most contemporary environmental battles reflect an ongoing feud within western civilization that has been raging for more than three centuries over the uses of nature and the human place in the larger scheme of things.

Between materialism and romanticism

The bedrock assumptions that dominate our present civilization come from the Scientific Revolution and the Enlightenment, which replaced older visions of nature with materialism -- a nature desanctified into natural resources, dead stuff. The leading prophet for this camp in the feud is the 17th-century philosopher Francis Bacon who was utterly forthright about his imperial designs: "The world is made for man, not man for the world," he declared.

The Romantic tradition -- which inspired artists and poets and later gave rise to nature writing and the conservation movement -- arose as a protest against the materialism and rationalism of the Scientific Revolution and the Enlightenment. This minority tradition, which valued nature for its spiritual meaning and redemptive power, functioned by and large as a parallel or alternative vision to the dominant worldview represented by Bacon. It turned its eyes to sacred nature and its back to the Industrial Revolution that was transforming profane nature at a breathtaking rate. This camp did not engage in political combat in a bid to replace the Baconian assumptions that governed life in the larger world.

Until Rachel Carson, the activism that flowed from this tradition aimed to preserve sacred nature by saving pieces of the world. In the political realm at least, early conservationists implicitly accepted the schizophrenia that has plagued Western thought since the Enlightenment -- a fractured vision that partitioned various inseparable aspects of life and existence into discrete compartments.

Hence, a world bifurcated into mind and body, reason and feeling, nature and not-nature, sacred and profane.

Carson, who had been a best-selling nature writer in the 1950s, moved reluctantly into the new role of social critic in the wake of a spiritual and philosophical crisis that confronted her with the questions that continue to haunt environmentalism four decades later. "I suppose my thinking began to be affected soon after atomic science was firmly established," she wrote to her friend Dorothy Freeman in 1958. "Some of the thoughts that came were so unattractive to me that I rejected them completely, for the old ideas die hard, especially when they are emotionally as well as intellectually dear to one. It was pleasant to believe, for example, that much of Nature was forever beyond the tampering reach of man. It was comforting to suppose that the stream of life would flow on through time in whatever course God had appointed for it, without interference by one of the drops of the stream -- man."

Faced with the bomb and the postwar tidal wave of synthetic chemicals, Carson couldn't sustain the nature writer's double vision. In both a literal and philosophical sense, the Baconian project, with its increasing power and now pervasive contamination, was bleeding over into sacred nature. "I may not like what I see," she confided to Dorothy, "but it does no good to ignore it, and it's worse than useless to go on repeating the old 'eternal verities' that are no more eternal than the hills of the poets." The world around her had changed irrevocably.

With the publication of *Silent Spring* in 1962, the cold war within the Western mind erupted into open battle over the direction of this civilization. Carson challenged not only the technology of modern life, synthetic pesticides, she questioned some of its central assumptions -- such as "the control of Nature" -- and scathingly criticized some of its priestly class, scientists. Carson's fighting posture and the barely restrained anger that seethes beneath the prose in *Silent Spring* signal her understanding that the stakes in this radically altered postwar reality were now all or nothing.

Silent Spring helped spawn a new wave of environmentalism, but, I believe, this effort has proceeded without truly grappling with the deeply troubling questions that had attended its birth questions Carson herself slid over or never fully answered before her untimely death.

Could there be nature on a human-dominated planet? Not the nature of the Romantic tradition or of Carson's nature writing, it seems. If this is the case, then the environmental tradition needs some major philosophical reconstruction. It needs to put hard work into laying a new foundation that will bear the weight of a changed world and carry it confidently forward to meet this altered reality. Though there has been much philosophical debate over such issues as "anthropocentrism" versus "biocentrism," I don't think it has moved us in the right direction, for the argument wallows in the dualism that has been obsolete for half a century now.

No road goes back to the future

Mainstream environmentalism has also shown great ambivalence about whether it is a radical critique engaged in challenging the assumptions at the heart of the current order. Although Carson concluded that the postwar world left no other choice, those who followed her have often been less bold and less certain. Looking broadly at the political battles over the past three decades, however, it appears that Carson was right in her assessment. Despite an increasing level of environmental activism in the U.S. and around the world, the environmental crisis has escalated from the dirty air and dirty water era in the 1960s to the global jeopardy of deteriorating planetary systems in the 1990s. During that time, this many-faceted activism has expended great passion and energy hurtling from one emergency after another -- banning a pesticide here, fighting an incinerator there, saving that ancient forest. Given the record, one has to question the wisdom of this crisis-oriented activism. Is there any value in running faster and faster to keep up with the accelerating treadmill of crisis? Perhaps the time has come to forget the brush fires and take on the pyromaniac.

I don't have a glib prescription to offer, but I am certain that those who care about the environment and the future need to confront these unresolved issues head on. Some of my own conclusions are already evident. If this modern global civilization survives the next few centuries, it will only do so through a profound transformation that will alter all of its current operating assumptions. While some within the environmental community have turned their attention to fundamental flaws in the system and the need to alter assumptions, far too much energy has gone into battling for mitigation of symptoms.

To meet the challenge of these times, the environmental community needs to reinvent itself and reorient its efforts. It needs to get beyond the double vision which is part of its philosophical tradition. It needs to wean itself from a persisting propensity for nostalgia and romanticism. It needs to turn its face resolutely toward the future and its energies toward expediting the shift to a new human order. I have old and dear friends, who have spent their lives trying to stop the hemorrhaging of natural systems and the devastation of beautiful places. They take serious issue with my conclusions, arguing the these efforts have to continue. Otherwise, they contend, we will have nothing left by the time the new order emerges. I respect these efforts deeply but I question whether this strategy will save anything at all. To me, it has become increasingly clear that the only long-term hope for the places and things that have inspired the environmental imagination is a speedy move toward the new order. Species are disappearing even in protected areas like Yosemite National Park, where five of seven species of frogs and toads have vanished in the past century without explanation. These losses, which may be due to pesticide contamination traveling into the Sierra from California agricultural areas, bear witness to our failed experiment with double vision. In the face of rising sea levels, one of my friends is trying to buy and preserve an exquisite, low-lying coral atoll in the Pacific. I see this as an environmental parable for our times.

So let's assume that the environmental community heeds this counsel. What are the ingredients of an environmental effort equal to the times? Boldness and vision stand at the top of the list. If those concerned about the environment want to move global civilization in a new direction, they first need to get to work on developing a broad, compelling, and coherent vision that will provide a map for the human future. To rank as a serious contender, such a vision must reach beyond the traditional boundaries of environmental thought and describe how leading institutions in our global civilization -- such as science, technology, and the economy -- need to be redirected in light of our changed situation. This vision needs to unmask the deepest assumptions of the current order, many of them rather recent philosophical inventions as it turns out. This means taking on the guiding myths of modern life -- notions that are so much a part of the current worldview that many people take them to be truths rather than assumptions. It should be noted, however, that the environmental tradition springs from the same 18th-century soil as the rest of modern culture and it shares some of its problematic assumptions, including the fiction of individualism that emerged in this period.

Any serious challenge to our current civilization also needs to address the deepest philosophical questions. At this critical moment in the human journey, we must grapple with the question of human purpose in the light of our altered circumstance and of how we ought to live. We need to consider how we bring liberty and limits into reasonable balance. We need to confront the question that haunts modern life and tends to ring with increasing hollowness: freedom for what? Surely these times demand a more imaginative answer than "the pursuit of happiness."

My own list of obsolete and increasingly dangerous concepts in need of revision includes: current notions of individualism, private property, and unmanaged markets and global free trade. International efforts to manage human impact on planetary systems are now on a collision course with the deregulatory imperatives of the increasingly powerful World Trade Organization and the supporting trade agreements. As currently written, the rules now being set in place in the ongoing process of globalization which assume free trade to be the highest human good and a trump for other competing goods such as environmental protection or cultural preservation -- pose a profound threat that will undo environmental gains and delay the necessary transition. The most dangerous aspect of the reigning economic assumptions is their theological nature, notably the belief in what amounts to economic Providence, which is implicit in the preposterous idea that the best human order will emerge without conscious intention or planning from this let-it-rip free for all. Those who embrace this idea must do so as a matter of fundamental faith, for evidence to the contrary has been mounting for half a century. This providentialism is probably as great a danger to our future as the rising levels of carbon dioxide in the earth's atmosphere. It is utter madness to believe that there is no need to consciously plan and create the human future. In the changed world we now inhabit, it is reckless to persist in treating trade as an end in itself, rather than a tool to accomplish our chosen ends.

As we struggle to create a new human order, I don't think we can reach backward for solutions. Environmental thought has suffered far too long from a chronic affliction "back to the future." In fashioning a new vision, we need to face the future squarely, imagine, and innovate in the tradition of thinkers and doers like scientist John Todd of Ocean Arks International (who proposes new technologies built on diverse organisms put together in creative combinations), rather than yearn for a simpler world of fewer people. Unprecedented challenges demand novel solutions. A vision of a new human order needs to begin with realistic premises -- such as the existence of an inescapably interconnected global civilization -- and point toward some plausible steps to propel us forward toward the kind of society and world we have decided we want to create.

Former Boston Globe environmental reporter Dianne Dumanoski is the coauthor of *Our Stolen Future*.

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38) US SENATE SHOULD NIX KYOTO PACT

Journal of Commerce

4 December

BY ALEXANDER F. ANNETT

How does a \$397 billion drop in the economy sound? How about paying an additional 50 cents for a gallon of gasoline? Or how would you like to see your electricity bill nearly double and, if you heat your house with gas, your gas bill shoot up by 147%?

These are just some of the economic consequences Americans will face as a result of the Kyoto Protocol, the global warming treaty the Clinton administration just signed.

The source of these findings is the administration's own Department of Energy, which recently analyzed the treaty's requirement that U.S. greenhouse gas emissions be cut by approximately one-third over the next decade (below the levels otherwise predicted for 2010).

Though the Senate hasn't ratified the treaty, the White House apparently plans to comply anyway, as it made clear at the recently concluded global warming summit in Buenos Aires. The White House has been moving ahead with the treaty's implementation under the apparent belief that cutting back on U.S. emissions won't affect the economy. That's pure fantasy, since only two ways exist to curb emissions: 1) curtail economic activity, or 2) spend untold billions on costly new equipment and technologies.

Though the White House's Council of Economic Advisors has predicted far-less serious economic consequences, the energy department's estimates are even more dramatic than those of the respected WEFA Group and Charles River Associates economic consulting firms.

What are the pocketbook implications? Even using the more conservative WEFA estimates, the Kyoto treaty is a bitter economic pill, adding an estimated 9% to your grocery bills, 11% to your medical bills, and 21% to your housing costs. Tally all of the added costs between 2001 and 2020 and you get the equivalent of a 14.5% income tax hike on the average family. Unfortunately, the administration is pushing ahead with the Kyoto restrictions despite the lack of a clear scientific consensus that Mother Earth is actually warming.

Some scientists cite an estimated 1.08-degree increase in the Earth's surface temperature since 1850 as evidence of global warming. But since the Ice Age ended almost 11,000 years ago, six other major warming and cooling trends have occurred. Three produced temperatures warmer than the current year-round global temperature of 59 degrees, and three produced cooler temperatures.

There is also no scientific consensus that the 1.08-degree rise was the result of factory and auto emissions. If so, the temperature increase should have occurred after 1945, when the largest buildup of man-made greenhouse gases occurred. But almost two-thirds of the increase over the past century occurred before 1945. Thus the administration would be foolish to push ahead with the Kyoto agreement. The only reason for doing so would be to keep the peace with the environmental activists so prominent in Vice President Al Gore's political base.

Even if the administration chooses to play politics, the Senate needs to look at the big picture. Until it can be proven that the Earth is warming and that human activity is the culprit, the Senate should refuse to ratify the Kyoto treaty. To do otherwise would be irresponsible.

Alexander F. Annett is a research assistant at The Heritage Foundation, a Washington public policy research institute. This article was distributed by Scripps Howard News Service.

39) INVEST IN ALTERNATIVES TO OIL

International Herald Tribune

December 7, 1998

Internet: <http://www.ihf.com/IHT/TODAY/MON/ED/edchrist.html>

By Christopher Flavin and Seth Dunn

WASHINGTON - The planned \$80 billion deal between the oil giants Exxon and Mobil provides one more indication that the oil industry is entering a geriatric phase in which slow growth and low prices are forcing companies to cut costs ruthlessly to survive.

Oil companies must do more than merge if they want to keep up with the changes in the international energy economy. World oil use is growing at only 1.4 percent per year, oil prices are down and global warming is tightening the squeeze on the industry. Partly as a result of more countries diversifying their energy supplies because of environmental concerns, oil prices have fallen to less than \$12 per barrel - down 80

percent since the early 1980s.

Despite prodigious exploration efforts, known oil resources have expanded only marginally in the last quarter-century. Eighty percent of the oil produced today comes from fields discovered before 1973. Remaining oil resources are so limited that world production will peak in the next 10 to 20 years.

The energy industries with the highest growth rates are wind and solar power. A new generation of advanced electronics and synthetic materials could quickly usher in a decentralized solar-hydrogen energy system in the early decades of the coming century. Since 1990, the global solar energy industry has expanded by an average of 16 percent per year and the wind power industry by 25 percent, rates that the oil industry has not known for decades.

These newer energy sources fill relatively small niche markets today. But that was the case for oil at the turn of the century, when it was used primarily for lighting. Just as happened with oil, double-digit growth rates will soon turn the new energy sources into major investment opportunities. The wind power industry has created 20,000 new jobs in the past five years alone - a stark contrast to the 9,000 jobs that will be lost as a result of the Exxon-Mobil merger.

In the last year, a few leading automakers announced plans for a new generation of fuel cell cars that could be run on ethanol, natural gas or hydrogen, rather than oil. As such technologies begin to take hold a decade or so from now, oil demand could shrink sharply.

The prospect of climate disruption forcing the world away from oil has led some oil companies to diversify their energy portfolios. In a landmark statement last year, John Browne, chairman of British Petroleum, said that BP had accepted the scientific reality of climate change and would add to its existing investment in solar energy. Another Europe-based oil major, Royal Dutch/Shell, later announced plans to invest \$500 million in renewable energy.

Such moves have opened a trans-Atlantic environmental divide in the oil industry, one that may be deepened by the Exxon-Mobil deal. Both companies have actively questioned the science of climate change and have lobbied the U.S. Senate not to ratify the Kyoto Protocol that seeks to curb emissions of greenhouse gases. This policy of denial may blind the combined company to changes in the energy marketplace. Exxon and Mobil both walked away from major solar investments in the 1980s, in contrast to the recent moves of BP and Shell.

The risk facing Exxon-Mobil and some other petroleum titans is that they will be so focused on cost-effectively exploiting remaining oil reserves in remote corners of the world that they will miss the far larger and more lucrative investment opportunities opening up the alternative energy arena.

Mr. Flavin is senior vice president and Mr. Dunn is a research associate at the Worldwatch Institute, a nongovernmental environment

monitoring group in Washington. They contributed this comment to the International Herald Tribune.

40) WARMER AND WARMER

Washington Post

Tuesday, December 8, 1998; Page A21

Internet:

<http://search.washingtonpost.com/wp-srv/WPlate/1998-12/08/0101-120898-idx.html>

By Geneva Overholser

Weather predicting is a great debate topic. Right now, in the mid-Atlantic, meteorologists agree we'll have a milder than average winter. Meanwhile, the more homespun prognosticators, relying on the likes of woolly bear caterpillars' stripes, say we're in for a hard one. The rest of us love speculating but have little confidence in any of them. Maybe this is why people don't know what to make of global warming.

Climate is different from weather, of course. Climate is the result over time of the complex system of heat and cold, sun and clouds, rain and drought. Scientists now agree in overwhelming numbers that our earth's climate is growing warmer -- not just naturally, but because of pollution from human activities. The average temperature is a full degree Fahrenheit higher than 100 years ago. Scientists believe the warming will bring more frequent floods, droughts and heat waves, a displacement of agriculture and a dramatic rise in ocean levels.

Global warming, it seems, is no longer a question to be debated. It's a fact to be dealt with. It won't be easy. For one thing, this is the first big issue we can deal with only if everyone on earth does so. Also, despite wide agreement that the problem exists, huge questions remain. How quickly is it developing? How serious will the effects be? And -- especially -- how best can we deal with it?

Given all this, the response so far can be seen as inspiring. A treaty to bring about common action on harmful gas emissions was negotiated in 1992 under the Bush administration and strengthened in Kyoto, Japan, last year. Last month, negotiators from 180 countries gathered in Buenos Aires to try to agree on how the cuts in emissions under the Kyoto Protocol are to be carried out.

However, human nature being what it is, opposition has developed apace with the progress. What began with rare hopes of concerted action has now bogged down in blame and self-justification. The advanced industrial nations that emit most of the gases should do the most to curb them, say the not-yet-developed nations. Ah, but the fast-developing nations are quickly becoming the worst offenders: They must sign on before we will act, say some advanced nations.

Since there is no recipe for solving the problem, there is plenty of ground for argument. Some contend that industrial nations, employing the right policies, could speed up use of promising new technologies to conserve energy and produce more of it without fossil fuels, with little impact on American lifestyles. Others say that helping the developing nations switch to more efficient energy use -- in industrial

and auto emissions, for example -- and to less reliance on carbons would be much cheaper than squeezing a comparable amount of emissions from developed countries.

Even as the debate grinds along, so does evidence of climate change. This year has itself set all kinds of records. "For the first time, the glaciers are moving literally faster than the negotiations," one environmentalist told The Washington Post recently. Some say changes may come ever more quickly now. "Global warming probably will not be a gentle turning up of the thermostat, as climatologists used to think, but rather a sudden switch to a new climate system," is how a British science writer summed up some of the leading researchers' testimony in Buenos Aires.

There are hopeful signs of movement. Argentina broke what had been a united front of opposition among developing countries when it said last month it would voluntarily adopt binding targets and timetables on emission control. Similarly, the once adamantly opposed business community is making some dramatic moves: Boeing, United Technologies and British Petroleum are among those that have agreed to reduce emissions without a treaty.

Meanwhile, in the United States, energy use has grown steadily despite the 1992 agreement. With about 4 percent of the world's population, we emit almost a quarter of the climate-changing gases. And we'll produce 30 percent more by 2008 unless we change our patterns of energy consumption.

The Clinton administration has signed the international protocol but says it won't submit it for ratification by the Senate -- where opposition runs very high -- until full discussion has taken place.

That discussion is overdue. As Carol Browner, administrator of the Environmental Protection Agency, told a recent gathering in Washington: "We know the train is coming, but for most Americans -- in their day-to-day lives -- they cannot hear the whistle." Between now and the year 2000, when the protocol is intended to take effect, we in the United States should be talking as avidly about climate, and our effect on it, as we do about weather.

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U.S. DEPARTMENT OF STATE

BACKGROUND NOTES: ARGENTINA, JANUARY 1999

RELEASED BY THE BUREAU OF INTER-AMERICAN AFFAIRS

OFFICIAL NAME: The Argentine Republic

PROFILE

Geography

Area: 2.8 million sq. km (1.1 million sq. mi.); about the size of the U.S. east

of the Mississippi River;

second-largest country in South America.

Cities: Capital--Buenos Aires (city: 3 million; metropolitan area: 12 million).

Other major cities--Cordoba (1.2 million); Rosario (950,000); Mar del Plata (900,000); Mendoza (400,000).

Terrain: Andes mountains and foothills in west. Aconcagua, (7,021 m; 23,034 ft)

is highest peak in the

Western Hemisphere; remainder of country is lowland; central region characterized by vast grassy plains (pampas).

Climate: Varied--predominantly temperate with extremes ranging from subtropical in the north to arid/subantarctic in far south.

People

Nationality: Noun and adjective--Argentine(s).

Population (mid-1997): 35.8 million.

Annual population growth rate: 1.3%.

Ethnic groups: European 97%, mostly of Spanish and Italian descent.

Religions: Roman Catholic 92%, Protestant 2%, Jewish 2%, other 4%.

Language: Spanish.

Education: Years compulsory--9. Adult literacy--96.2%.

Health: Infant mortality rate--23.6/1000. Life expectancy--72.3 yrs.
Work force: Industry and commerce--36%. Agriculture--19%. Transport and communications--6%.

Government

Type: Republic.

Independence: July 9, 1816.

Constitution: 1853, revised 1994.

Branches: Executive--president, vice president, cabinet.

Legislative--bicameral

congress (72-member

Senate, 257-member Chamber of Deputies). Judicial--Supreme Court, federal and

provincial trial courts.

Administrative subdivisions: 23 provinces and one autonomous federal

capital

district.

Political Parties: Justicialist, Radical Civic Union, FREPASO, numerous smaller

national and provincial

parties. In 1997, UCR and FREPASO formed a coalition called the Alliance for

Work, Justice, and

Education.

Suffrage: Universal adult.

Economy (1997 figures)

GDP: \$323 billion.

Annual real growth rate: 8.6%.

Per capital GDP: \$9,100.

Natural resources: Fertile plains (pampas). Minerals: lead, zinc, tin, copper,

iron, manganese, oil, uranium.

Agriculture (8.5% of GDP, about 60% of exports by value): Products--grains, oilseeds and by-products,

livestock products.

Industry (30% of GDP): Types--food processing, oil refining, machinery and equipment, textiles,

chemicals and petrochemicals.

Trade: Exports \$26.2 billion--grains, meats, oilseeds, manufactured products.

Major markets--Brazil 30%; EU 15.5%; U.S. 9%. Imports \$30.4

billion--machinery,

vehicles and transport

products, chemicals. Major suppliers--EU 29%; Brazil 23%;

U.S. 21%.

U.S.-ARGENTINE RELATIONS

The United States and Argentina currently enjoy a close bilateral relationship, which was highlighted by

President Clinton's visit to Argentina in October 1997. The efforts of the Menem Administration to open Argentina's economy and realign its foreign policy have contributed to the improvement in these relations, and the interests and policies of the two countries coincide on many issues. Argentina and the United States often vote together in the United Nations and other multilateral fora. Argentina has participated in many multilateral forces deployments mandated by the United Nations Security Council, including recent missions to Haiti and the former Yugoslavia. Reflecting the growing partnership that marks ties between the two countries, on October 16, 1997, Secretary of State Albright and Argentine Foreign Minister Di Tella held the first meeting of the Special Consultative Process to address important issues in the bilateral relationship.

U.S. Embassy Functions

The U.S. Mission in Buenos Aires carries out the traditional diplomatic function of representing the United States Government and people in discussions with the Argentine Government, and more generally, in relations with the people of Argentina. The excellent political relationship between the United States and Argentina is increasingly reflected in the U.S. embassy's efforts to facilitate cooperation in nontraditional areas such as counter-terrorism, anti-narcotics, and scientific cooperation on space, peaceful uses of nuclear energy, and the environment.

The embassy also provides a wide range of services to U.S. citizens and businesses in Argentina. Officers from the U.S. Foreign Service, Foreign Commercial Service, and Foreign Agricultural Service work closely with the thousands of U.S. companies which maintain offices and/or do business in Argentina, providing information on Argentine trade and industry regulations and assisting U.S. companies starting or maintaining business ventures in Argentina. Attaches accredited to Argentina

from the Department of Justice (including the Drug Enforcement Administration and the Federal Bureau of Investigation), U.S. Customs, the Federal Aviation Administration, and other federal agencies work closely with Argentine counterparts on issues related to international crime and other issues of concern.

An active, sophisticated, and expanding media environment, together with growing positive interest in American culture and society, make Argentina an uncommonly receptive environment for the information and cultural-exchange work of the United States Information Service. The number of Argentines studying in U.S. universities is rapidly growing, and the Fulbright fellowship program has more than tripled the annual number of U.S. and Argentine academic grantees since 1994.

The embassy's consular section monitors the welfare and whereabouts of more than 20,000 U.S. citizen residents of Argentina and the over 300,000 U.S. tourists who visit Argentina each year. Consular personnel also provide American citizens passport, voting, notarial, Social Security and other vital services. Although, since 1996, the U. S. has permitted Argentine tourists to visit without visas, the consular section does issue nonimmigrant visas to persons who travel for other purposes, such as students and those who seek to work in the U.S, as well as immigrant visas to those who seek U.S. permanent residence.

Principal U.S. Embassy Officers

Ambassador--Vacant
Charge d'Affaires, a.i.--Manuel Rocha
Deputy Chief of Mission--Thomas Martin (acting)
Political Counselor--Mark A. Sigler
Economic Counselor--John Creamer (acting)
Commercial Counselor--Michael Liikala
Consul General--Robert Raymer
Science Counselor--Philip Covington
Administrative Counselor--Benjamin Castro
Defense Attache--Col. Jeffrey W. Whisenhunt, USAF
Commander, U.S. Military Group--Colonel Clark Lynn III, USA
Public Affairs Officer--Guy Burton

The U.S. Embassy and Consulate General in Argentina are located at 4300 Colombia Avenue in Buenos Aires' Palermo district. Mission offices can be reached at tel. (54)(1)777-4533/34; fax (54)(1)777-0197. Mailing addresses are: U.S. Embassy Buenos Aires, APO AA 34034; or 4300 Colombia, 1425 Buenos Aires, Argentina. Embassy home page: http://www.usia.gov/posts/baires_embassy.

ECONOMY

In 1989, after decades of economic decline and chronic bouts of inflation, Argentina under President Menem began an unprecedented, profound, and remarkably successful economic restructuring based on trade liberalization, privatization, public administrative reform, and macroeconomics stabilization.

The 1991 Convertibility Law established a quasi-currency board which has provided the pillar of price stability but constrains monetary policy severely. The government privatized most state-controlled companies, opened the economy to foreign trade and investment, improved tax collection, and created private pension and workers compensation systems.

As a result of these measures, Argentina has experienced a boom in economic growth in the 1990s. Following a year-and-a-half-long local recession, Argentina's real GDP growth reached 8.6% in 1997--higher than the average of 6% for the 1991-1997 period. Industry, agriculture, construction, energy and mining all expanded considerably during the year. Real GDP growth slowed to approximately 5% in 1998, primarily because of the impact of the world financial crisis. Private sector growth estimates for 1999 range from 1-3%.

The structural reforms undertaken this decade--coupled with monetary stability--fostered major new investments in industrial sectors producing goods for exports. This was most notable in the food products, oil and gas, automotive, and mining and metals sectors. As a result, Argentina's exports doubled in five years--from about \$12 billion in 1992 to over \$26 billion in 1997.

Similarly,
imports also doubled during
the same period--rising from \$15 billion to over \$30 billion. Foreign
direct
investment flow--which
averaged \$3.5 billion annually from 1990 to 1995--exceeded \$6 billion in
1997,
according to reliable
estimates.

The May 1998 unemployment rate was 13.2%--down from 18.4% in mid-1995.
However,
larger and more
significant declines will come slowly over the longer term. This is likely
because the government intends to
implement several more privatization programs, labor productivity will
rise as
major private investments
are made, and future growth will be strongest in the capital intensive
sectors.

Argentina is vulnerable to abrupt changes in capital flows. However, strong
leadership and earlier
structural reforms helped the country weather the effect of the Mexican
peso
devaluation in 1994-95.
Argentine authorities, supported by the U.S., Japan, Europe, and
international
financial institutions, reacted
decisively to bolster the peso. The government has continued to demonstrate
credibility through further
economic adjustment and conclusion of a new Extended Fund Facility
arrangement
with the International
Monetary Fund at the end of 1997.

Argentina's principal economic policy challenges in 1999 are:

- Managing the fallout from the world financial crisis.
- Continuing the reform of provincial administration and banking; and
- Simplifying tax collection and combating tax evasion.

Banking

Argentina's banking system began 1998 further consolidated and
strengthened by
recent large foreign
investments. Peso and dollar deposits in the banking system grew strongly
and
reached nearly \$70 billion
at the end of 1997--close to twice the level in June 1995, when bank
deposits
hit a low of \$37 billion.
Despite the turmoil in international capital markets following Russia's

devaluation of the ruble in August 1998, total deposits in Argentina's banking system-as well as the country's international reserves-have remained stable. Foreign-controlled banks now hold about 50% of total Argentine bank deposits.

In late 1997, shortly after the Asian financial crisis began, the Government of Argentina reassured investors that the country's banking system and reserves were strong enough to withstand the storm. Bank financing and lending costs are still high by industrialized country standards. Credit is very expensive for certain sectors. Easier lending for small and medium sized firms and improved credit risk management is essential to foster job creation.

In late 1997, the Menem Administration announced its intention to privatize Banco de la Nacion, Argentina's largest commercial bank. Strong political opposition, however, makes the timing of this privatization uncertain. During 1998, the government initiated the privatization of the National Mortgage Bank.

Foreign Trade

A key development in helping Argentina meet its external payments is the dramatic growth in Argentina's foreign trade since 1990. Foreign trade plays an increasingly important role in Argentina's economic development. Exports currently represent less than 10% of Argentina's GDP. This percentage should rise as Argentine export competitiveness improves--a result of increased productivity generated by new investments, diversification of export products and markets, and very low domestic inflation.

Grain output reached a record of over 60 million tons in 1998 as adoption of new technology and management practices significantly increased productivity. Fresh Argentine beef was exported to the U.S. market in August 1997 for the first time in over 50 years, and other export

prospects improved
tremendously.

However, export growth slowed sharply in 1998 due to lower world prices for petroleum and agricultural commodities. Slower growth in Brazil also adversely affected Argentine exports, especially in the automotive sector. Meanwhile, lower GDP growth contributed to a reduction in the rate of import growth. Capital goods continued to account for over 40% of total imports.

MERCOSUR, a regional customs union and emerging trade bloc (which includes Argentina, Brazil, Paraguay, and Uruguay, and has associations with Chile and Bolivia), is one of the largest and most dynamic integrated markets in the developing world. Close cooperation between Brazil and Argentina--historic competitors--is key to MERCOSUR's impressive growth. Argentina's trade with the other members of MERCOSUR has grown fivefold since 1991. (During that period, its total foreign trade doubled). As a result, Argentina will focus more attention on deepening MERCOSUR relations. MERCOSUR needs closer coordination of macroeconomic policies and better dispute resolution mechanisms.

Ties to MERCOSUR will take on added importance in coming years. Argentina's trade and investment have tremendous potential to grow along with hemispheric economic integration.

The 1998 financial turbulence triggered by the Russian devaluation underscored that macroeconomic conditions in Brazil--

Argentina's most important trading partner--are important variables for Argentina's foreign trade in 1998 and beyond. On an upbeat note, Chile's association with MERCOSUR has improved access for Argentine exports to East Asia via Chilean ports.

The U.S. registered trade surpluses with Argentina every year from 1993 to 1997 totaling nearly \$13 billion. The annual surplus reached \$3 billion in 1997--due in large part to Argentina's continued demand for capital goods, as well as the recovery of the local economy. The U.S.

surplus with Argentina could climb to a record \$4 billion in 1998. This trend reflects the Argentine Government's policy of encouraging modernization and improved competitiveness for Argentine industry.

Argentina adheres to most treaties and international agreements on intellectual property. It is a member of the World Intellectual Property Organization and signed the Uruguay Round agreements in December 1993--including measures related to intellectual property. However, extension of adequate patent protection to pharmaceuticals has been a highly contentious bilateral issue. In May 1997, the U.S. suspended 50% of Argentina's GSP benefits because of its unsatisfactory pharmaceutical patent law.

Investment

U.S. direct investment in Argentina, an estimated \$12 billion in mid-1997, is concentrated in telecommunications, banking, electric energy generation, gas and petroleum production, food processing, and motor vehicle manufacturing. Additional direct U.S. investment of \$2 billion is expected in 1998.

The U.S. and Argentina have an Overseas Private Investment Corporation (OPIC) agreement and an active U.S. Export-Import Bank (EXIMBANK) program. Total EXIMBANK exposure in Argentina approaches \$2.5 billion, and the OPIC portfolio is approaching the country limit.

Under the 1994 U.S.-Argentine bilateral investment treaty, U.S. investors enjoy national treatment in all sectors except shipbuilding, fishing, nuclear power generation, and uranium production. The treaty allows for international arbitration of investment disputes.

GOVERNMENT AND POLITICAL CONDITIONS

After years of instability, Argentina is today a fully functioning democracy.

During President Carlos Menem's first term (1989-1995), he dramatically reordered Argentina's foreign and domestic policies. His overwhelming reelection in May 1995--in the face of hardships caused by economic

restructuring and exacerbated by the Mexico peso crisis--provided a mandate for his free market economic strategy and pro-U.S. foreign policy. Menem's second term ends in December 1999; the constitution does not provide for a sitting president to succeed himself more than once.

The constitution of 1853, as revised in 1994, mandates a separation of powers into executive, legislative, and judicial branches at the national and provincial level. Each province also has its own constitution which roughly mirrors the structure of the national constitution.

The president and vice president were traditionally elected indirectly by an electoral college to a single six-year term. They were not allowed immediately to seek reelection. Constitutional reforms adopted in August 1994 reduced the presidential term to four years, abolished the electoral college in favor of direct election, and limited the president and vice president to two consecutive terms, but allowed them to stand for a third term or more after an interval of at least one term. Cabinet ministers are appointed by the president. The constitution grants the president considerable power, including a line-item veto.

Provinces traditionally sent two senators, elected by provincial legislatures, to the upper house of Congress. Voters in the federal capital of Buenos Aires elected an electoral college which elected the city's senators. The constitution now mandates a transition to direct election for all senators, and the addition of a third senator from each province and the capital. The third senator will represent the electoral district's largest minority party. The revised constitution reduces senatorial terms from nine to six years in office. One third of the Senate will stand for reelection every two years.

Members of the Chamber of Deputies are directly elected to four-year terms. Voters elect half the members

of the lower house every two years through a system of proportional representation.

Other important changes to the constitutional system included the creation of a senior coordinating minister to serve under the president and autonomy for the city of Buenos Aires, which now elects its own mayor. The constitution establishes the judiciary as a separate and independent entity of government. The president appoints members of the Supreme Court with the consent of the Senate. Other federal judges are appointed by the president upon recommendation by the magistrates' council. The Supreme Court has the power, first asserted in 1854, to declare legislative acts unconstitutional.

Political Parties

The two largest political parties are the Partido Justicialista or Peronist Party (PJ), which evolved out of Juan Peron's efforts to expand the role of labor in the political process in the 1940s, and the Union Civica Radical, or Radical Civic Union (UCR), founded in 1890. Traditionally, the UCR has had more urban middle-class support and the PJ has received more labor support. Support for both parties is broadly based. A grouping of mostly left parties and former Peronists--the Front for a Country of Solidarity (FREPASO)--has emerged in the 1990s as a serious political contender especially in the Federal Capital. In August 1997, the UCR and FREPASO formed a coalition called the Alliance for Work, Justice, and Education. Smaller parties occupy various positions on the political spectrum and some are active only in certain provinces.

Historically, organized labor (largely tied to Menem's Peronist Party) and the armed forces have also played significant roles in national life. Labor's political power has been significantly weakened by Menem's free market reforms. The armed forces are firmly under civilian control. Repudiated by the public

after a period of military rule (1976-83), marked by human rights violations, economic decline, and military defeat in the 1982 Falkland/Malvinas Islands war, the Argentine military is now a slimmed-down, all volunteer force focused largely on international peacekeeping.

Government Policy

The Menem Administration has pursued wide-ranging economic reforms designed to open the Argentine economy and enhance its international competitiveness. Privatization, deregulation, fewer import barriers, and a fixed exchange rate have been cornerstones of this effort. All these changes have dramatically reduced the role of the Argentine state in regulating the domestic market. The reform agenda, however, remains incomplete, including improvements in the judicial system and provincial administration.

National Security

The president and a civilian minister of defense control the Argentine armed forces. The paramilitary forces under the control of the Ministry of Interior are the Gendarmeria (border police) and the Prefectura Naval (coast guard). The Argentine armed forces maintain close defense cooperation and military supply relationships with the United States. Other countries also have military relationships with the Argentine forces, principally Israel, Germany, France, Spain, and Italy. The lack of budgetary resources is the most serious problem facing the Argentine military. Current economic conditions and the government's commitment to reduce public sector spending have slowed modernization and restructuring efforts. Under President Menem, Argentina's traditionally difficult relations with its neighbors have improved dramatically and Argentine officials publicly deny seeing a potential threat from any neighboring country.

PEOPLE

Argentines are a fusion of diverse national and ethnic groups. Descendants of Italian and Spanish immigrants predominate. Waves of immigrants from many European countries

arrived
in the late 19th and
early 20th centuries. Syrian, Lebanese, and other Middle Eastern immigrants
number about 500,000,
mainly in urban areas. Argentina has the largest Jewish population in Latin
America, about 250,000 strong.
In recent years, there has been a substantial influx of immigrants from
neighboring Latin American
countries. The indigenous population, now estimated at 700,000, is
concentrated
in the provinces of the
north, northwest, and south. The Argentine population has one of Latin
America's
lowest growth rates.
Eighty percent of the population resides in urban areas of more than 2,000
and
more than one-third of the
population lives in the greater Buenos Aires area. This sprawling
metropolis,
with about 12 million
inhabitants, serves as the focus for national life. Argentines enjoy
comparatively high standards of living;
half the population considers itself middle class.

HISTORICAL HIGHLIGHTS

Europeans arrived in the region with the 1502 voyage of Amerigo Vespucci.
Spanish navigator Juan Diaz
de Solias visited what is now Argentina in 1516. Spain established a
permanent
colony on the site of
Buenos Aires in 1580. They further integrated Argentina into their empire
following the establishment of
the Vice-Royalty of Rio de la Plata in 1776, and Buenos Aires became a
flourishing port.

Buenos Aires formally declared independence from Spain on July 9, 1816.
Argentines revere General Jose
de San Martin, who campaigned in Argentina, Chile, and Peru, as the hero of
their national independence.
Following the defeat of the Spanish, centralist and federalist groups
waged a
lengthy conflict between
themselves to determine the future of the nation. National unity was
established
and the constitution
promulgated in 1853.

Two forces combined to create the modern Argentine nation in the late 19th
century: the introduction of
modern agricultural techniques and the integration of Argentina into the
world
economy. Foreign
investment and immigration from Europe aided this economic revolution. The

investment, primarily British, came in such fields as railroads and ports. The migrants who worked to develop Argentina's resources came from throughout Europe, but mostly from Italy and Spain.

Conservative forces dominated Argentine politics until 1916, when their traditional rivals, the Radicals, won control of the government through a democratic election. The Radicals, with their emphasis on fair elections and democratic institutions, opened their doors to Argentina's expanding middle class as well as to elites previously excluded from power for various reasons. The Argentine military forced aged Radical President Hipolito Yrigoyen from power in 1930 and ushered in another decade of Conservative rule.

Using fraud and force when necessary, the governments of the 1930s attempted to contain forces for economic and political change that eventually helped produce the governments of Juan Domingo Peron (b. 1897). New social and political forces were seeking political power. These included the modern military and the labor movement that emerged from the growing urban working class.

The military ousted Argentina's constitutional government in 1943. Peron, then an army colonel, was one of the coup's leaders, and he soon became the government's dominant figure as minister of labor. Elections carried him to the presidency in 1946. He aggressively pursued policies aimed at giving an economic and political voice to the working class and greatly expanded the number of unionized workers. In 1947, Peron announced the first five-year plan based on nationalization and industrialization. He presented himself as a friend of labor and assisted in establishing the powerful General Confederation of Labor (CGT). Peron's dynamic wife, Eva Duarte de Peron, known as Evita (1919-1952), helped her husband develop his appeals to labor and women's groups. Women obtained the right to vote in 1947.

Peron won reelection in 1952, but the military deposed him in 1955. He went into exile, eventually settling in Spain. In the 1950s and 1960s, military and civilian administrations traded

power. They tried, with limited success, to deal with diminished economic growth and continued social and labor demands. When military governments failed to revive the economy and suppress escalating terrorism in the late 1960s and early 1970s, the way was open for Peron's return.

On March 11, 1973, Argentina held general elections for the first time in 10 years. Peron was prevented from running, but voters elected his stand-in, Dr. Hector J. Campora, to the presidency. Peron's followers also commanded strong majorities in both houses of the National Congress, which assumed office on May 25, 1973. Campora resigned in July 1973, paving the way for new elections. Peron won a decisive victory and returned as President in October 1973 with his third wife, Maria Estela Isabel Martinez de Peron, as Vice President.

During this period, extremists on the left and right carried out terrorist acts with a frequency that threatened public order. The government resorted to a number of emergency decrees, including the implementation of special executive authority to deal with violence. This allowed the government to imprison persons indefinitely without charge.

Peron died on July 1, 1974. His wife succeeded him in office, but her administration was undermined by economic problems, Peronist intraparty struggles, and growing terrorism from both left and right. A military coup removed her from office on March 24, 1976. Until December 10, 1983, the armed forces formally exercised power through a junta composed of the three service commanders.

The armed forces applied harsh measures against terrorists and their sympathizers. They silenced armed opposition and restored basic order. The costs of what became known as the "Dirty War" were high in terms of lives lost and basic human rights violated.

Serious economic problems, defeat by the U.K. in 1982 after an unsuccessful Argentine attempt to forcibly take control of the Falklands/Malvinas Islands, public revulsion in the face of

severe human rights abuses, and mounting charges of corruption combined to discredit and discourage the military regime. This prompted a period of gradual transition and led the country toward democratic rule. Acting under public pressure, the junta lifted bans on political parties and restored other basic political liberties. Argentina experienced a generally successful and peaceful return to democracy.

On October 30, 1983, Argentines went to the polls to choose a president, vice president, and national, provincial, and local officials in elections international observers found to be fair, open, and honest. The country returned to constitutional rule after Raul Alfonsin, candidate of the Radical Civic Union (UCR), received 52% of the popular vote for president. He began a six-year term of office on December 10, 1983.

In 1985 and 1987, large turnouts for mid-term elections demonstrated continued public support for a strong and vigorous democratic system. The UCR-led government took steps to resolve some of the nation's most pressing problems, including accounting for those who disappeared during military rule, establishing civilian control of the armed forces, and consolidating democratic institutions. However, constant friction with the military, failure to resolve endemic economic problems, and an inability to maintain public confidence undermined the Alfonsin Government's effectiveness, which left office six months early after Peronist candidate Carlos Saul Menem won the 1989 presidential elections.

As President, Menem launched a major overhaul of Argentine domestic policy. Large-scale structural reforms have dramatically reversed the role of the state in Argentine economic life. A decisive leader pressing a controversial agenda, Menem has not been reluctant to use the presidency's extensive powers to issue decrees advancing modernization when the congress was unable to reach consensus on his proposed reforms. Those powers were curtailed somewhat when the constitution was reformed in 1994 as a result of the so-called Olivos Pact with the opposition Radical Party. That

arrangement

opened the way for Menem to seek and win reelection with 50% of the vote in the three-way 1995 presidential race.

The 1995 election saw the emergence of the moderate left FREPASO political alliance. This alternative to the traditional two main political parties in Argentina is particularly strong in Buenos Aires, but as yet lacks the national infrastructure of the Peronist and Radical parties. In an important development in Argentina's political life, all three major parties in the 1999 race espouse free market economic policies.

Argentina held mid-term congressional elections in October 1997. The opposition

UCR-FREPASO

alliance made major gains in the number of seats it held and deprived the Peronists of an absolute majority.

The elections are widely seen as setting the stage for the 1999 presidential

race. The government's pro-

market policies remain unchallenged, but continued high unemployment and growing

public concern over

corruption have hurt the government's standing in public opinion polls.

FOREIGN POLICY

In foreign policy, Menem has dramatically made partnership with the United States the centerpiece of his

approach. Argentina was the only Latin American country to participate in the

Gulf war and all phases of

the Haiti operation. It has contributed to UN peacekeeping operations worldwide,

and has offered to send

peacekeepers to Eastern Slavonia and police to the international Police Task

force in Bosnia. It offered to

send a military medical unit to the Gulf in support of the effort to secure Iraqi compliance with United

Nations resolutions. In recognition of Argentina's contributions to international security and peacekeeping,

the U.S. Government designated Argentina as a major non-NATO ally in January

1998. Menem is an

enthusiastic supporter of the Summit of the Americas process, which includes

Argentina's decision to host

the Second Specialized Inter-American Conference on Terrorism in November 1998,

as called for in the Santiago Summit of the America Action Plan earlier that year. At the UN, Argentina is one of the U.S.'s closest collaborators. The Menem Administration supports the U.S. campaign to improve human rights in Cuba and joins with the U.S. in international disarmament efforts, the fight against international terrorism and narcotics trafficking, and efforts to control global warming. In November 1998, Argentina also hosted the United Nations conference on climate change.

Eager for closer ties to developed nations, Argentina has pursued relationships with the OECD and has left the Non-Aligned Movement. It has become a leading advocate of nonproliferation efforts worldwide. A strong proponent of enhanced regional stability in South America, Argentina has revitalized its relationship with Brazil; settled lingering border disputes with Chile; served with the U.S., Brazil, and Chile as one of the four guarantors of the Ecuador-Peru peace process; and restored diplomatic relations with the United Kingdom. In September 1995, Argentina and the UK signed an agreement to promote oil and gas exploration in the Southwest Atlantic, defusing a potentially difficult issue and opening the way to further cooperation between the two nations. In 1998, President Menem visited the UK in the first official visit by an Argentine President since the 1960's.

Principal Government Officials

President--Carlos Saul Menem
Minister of Foreign Affairs--Guido Di Tella
Ambassador to the United States--Diego Guelar
Ambassador to the Organization of American States--Julio Caesar Araoz
Ambassador to the United Nations--Fernando Petrella

Argentina maintains an embassy in the United States at 1600 New Hampshire Ave. NW, Washington DC 20009 (tel. 202-939-6400; FAX 202-332-3171). It has consular offices in the following locations:

Atlanta:

245 Peachtree Center Ave., Suite 2101
Atlanta, GA 30303
Tel: (404) 880-0805; Fax: (404) 880-0806

Chicago:

205 North Michigan Ave., Suite 4209
Chicago, IL 60601
Tel: (312) 819-2620; Fax (312) 819-2612

Houston:

1990 Post Oak Blvd., Suite 770
Houston, TX 77056
Tel: (713) 871-8935; Fax (713) 871-1639

Los Angeles:

5055 Wilshire Blvd., Suite 210
Los Angeles, CA 90036
Tel: (213) 954-9155 fax (713) 871-9076

Miami:

800 Brickell Ave. PH1
Miami, FL 33131
Tel: (305) 373-7794; Fax: (305) 371-7108

New York:

12 West 56th St.
New York, NY 10019
Tel: (212) 603-0400; Fax: (212) 541-7746

Washington, DC:

1718 Connecticut Ave., NW
Washington, DC 20009
Tel: (202) 797-8826

Office of the Economic and Trade Representative

1901 L St., NW
Washington, DC 20036
Tel: (202) 56-4475

OTHER CONTACT INFORMATION:

American Chamber of Commerce in Argentina

Viamonte 1133, 8th floor
Buenos Aires, Argentina
Tel: (54)(1) 371-4500; Fax: (54)(1) 371-8400
Home page: <http://www.amchamarg.com>

U.S. Department of Commerce

Office of Latin America and the Caribbean
International Trade Administration
14th and Constitution Avenue, NW
Washington, DC 20230
Tel: 202-482-2436; 1-800-USA-TRADE; Fax: 202-482-4726; Internet:

<http://www.ita.doc.gov>

Automated fax service for trade-related information: 202-482-4464.

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. Travel Warnings are issued when the State Department recommends that Americans avoid travel to a certain country. Consular Information Sheets exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security, political disturbances, and the addresses of the U.S. posts in the country.

Public Announcements are issued as a means to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas which pose significant risks to the security of American travelers. Free copies of this information are available by calling the Bureau of Consular Affairs at 202-647-5225 or via the fax-on-demand system: 202-647-3000. Travel Warnings and Consular Information Sheets also are available on the Consular Affairs Internet home page: <http://travel.state.gov> and the Consular Affairs Bulletin Board (CABB). To access CABB, dial the modem number: (301-946-4400 (it will accommodate up to 33,600 bps), set terminal communications program to N-8-1 (no parity, 8 bits, 1 stop bit); and terminal emulation to VT100. The login is travel and the password is info (Note: Lower case is required). The CABB also carries international security information from the Overseas Security Advisory Council and Department's Bureau of Diplomatic Security. Consular Affairs Trips for Travelers publication series, which contain information on obtaining passports and planning a safe trip abroad, can be purchased from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954; telephone: 202-512-1800; fax 202-512-2250.

Emergency information concerning Americans traveling abroad may be

obtained from
the Office of
Overseas Citizens Services at (202) 647-5225. For after-hours emergencies,
Sundays and holidays, call
202-647-4000.

Passport Services information can be obtained by calling the 24-hour,
7-day a
week automated system
(\$.35 per minute) or live operators 8 a.m. to 8 p.m. (EST) Monday-Friday
(\$1.05
per minute). The number
is 1-900-225-5674 (TDD: 1-900-225-7778). Major credit card users (for a
flat
rate of \$4.95) may call 1-
888-362-8668 (TDD: 1-888-498-3648).

Travelers can check the latest health information with the U.S. Centers for
Disease Control and Prevention
in Atlanta, Georgia. A hotline at (404) 332-4559 gives the most recent
health
advisories, immunization
recommendations or requirements, and advice on food and drinking water
safety
for regions and countries.
A booklet entitled Health Information for International Travel (HHS
publication
number CDC-95-8280) is
available from the U.S. Government Printing Office, Washington, DC 20402,
tel.
(202) 512-1800.

Information on travel conditions, visa requirements, currency and customs
regulations, legal holidays, and
other items of interest to travelers also may be obtained before your
departure
from a country's embassy
and/or consulates in the U.S. (for this country, see "Principal Government
Officials" listing in this
publication).

U.S. citizens who are long-term visitors or traveling in dangerous areas
are
encouraged to register at the
U.S. embassy upon arrival in a country (see "Principal U.S. Embassy
Officials"
listing in this publication).
Registering with the embassy may help you to replace lost identity
documents or
help family members
contact you in case of an emergency.

Further Electronic Information:

Department of State Foreign Affairs Network. Available on the Internet, DOSFAN provides timely, global access to official U.S. foreign policy information. Updated daily, DOSFAN includes Background Notes; Dispatch, the official magazine of U.S. foreign policy; daily press briefings; Country Commercial Guides; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at <http://www.state.gov>.

U.S. Foreign Affairs on CD-ROM (USFAC). Published on an annual basis by the U.S. Department of State, USFAC archives information on the Department of State Foreign Affairs Network, and includes an array of official foreign policy information from 1990 to the present. Contact the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. To order, call (202) 512-1800 or fax (202) 512-2250.

National Trade Data Bank (NTDB). Operated by the U.S. Department of Commerce, the NTDB contains a wealth of trade-related information, including Country Commercial Guides. It is available on the Internet (www.stat-usa.gov) and on CD-ROM. Call the NTDB Help-Line at (202) 482-1986 for more information.

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ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: The White House <Publications-Admin@Pub.Pub.WhiteHouse.Gov> (The White House <Publications-Admin@Pub.Pub.WhiteHouse.Gov> [UNKNOWN])

CREATION DATE/TIME:11-JAN-1999 15:28:55.00

SUBJECT: 1999-01-11 Statement on State Visit of President Menem of Argentina

TO: Public-Distribution@[198.137.240.100] (Public-Distribution@[198.137.240.100] [UNKNOWN])
READ:UNKNOWN

TEXT:

Note: Some recipients have been dropped due to syntax errors.Please refer to the "\$AdditionalHeaders" item for the complete headers.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 11, 1999

STATEMENT BY THE PRESS SECRETARY

State Visit of President Menem of Argentina

President Clinton met today with President Carlos Menem of Argentina. The President paid tribute to President Menem for his role in consolidating democracy and open markets in Argentina, promoting economic integration and cooperation in South America and leading the way toward a new relationship between the United States and Latin America. Argentina has assumed a seat on the United Nations Security Council, will chair the Free Trade Area of the Americas (FTAA) process for two years beginning November 1999 and has played a leadership role in global climate change negotiations. In this context, the two leaders had a fruitful exchange on a wide range of global and international issues as well as a discussion of our bilateral relations.

The meeting between the two Presidents was their fourth in the last two years and highlighted the close and beneficial partnership that has developed between the United States and Argentina. We have cooperated to address key challenges in many areas including climate change, resolving hemispheric conflicts such as the now settled border dispute between Ecuador and Peru, combating terrorism, and containing the effects of global financial turbulence. Discussion of these and other issues will continue in the 2nd Special Consultative Process to be hosted by Secretary Albright on January 12. The two Presidents established this group in 1997.

The President praised Argentine participation in UN peacekeeping.

He noted that Argentina has taken the toughest assignments -- including sending detachments to Haiti, Cyprus and the former-Yugoslavia -- and contributes more personnel to UN peacekeeping than any other Western Hemisphere nation. The President designated Argentina a Major Non-NATO Ally in 1997 because of that country's peacekeeping involvement and we have supported Argentina's peacekeeping capability through funding and equipment assistance. The President was pleased that the United States would provide a Coast Guard patrol boat, a Coast Guard buoy tender and a TA-4J flight simulator. The Administration is also notifying Congress of its intent to make available from excess U.S. military stocks 900 Light Anti-Tank Weapons (LAWs) for force protection use by Argentine peacekeepers.

Representatives of the two governments also will sign agreements on military acquisition and servicing and information security. These agreements will facilitate our support of future Argentine peacekeeping deployments. This year the United States will again provide assistance to Argentina's regional peacekeeping training center, which is a widely recognized model for emulation elsewhere. The meeting also highlighted Argentina's significant contributions to international civilian police efforts, both in regional training and in contributions to UN civilian police monitoring operations.

The two leaders discussed our joint efforts to address global climate change by building upon the work of the recent Fourth Conference of Parties to the Climate Change Convention held in Buenos Aires last November. The President and the Vice President praised Argentina's leadership in committing to take on a greenhouse gas emissions target.

The Department of Education and its Argentine counterpart are entering into a Declaration of Intent which will set up a framework for cooperation in areas ranging from educational standards to teacher training and human resource development.

The Presidents also reviewed the international economic picture. The President praised Argentina's sound macro-economic management and open markets as the foundation for its continued growth and ability to maintain investor confidence during last year's market turbulence. Both Presidents reaffirmed their commitment to work to realize the goal of creating the FTAA.

The Presidents acknowledged the importance of air traffic to the development of the trade and economic relationship between their countries. In that spirit, they instructed that the U.S. and Argentine negotiators should seek to conclude an Open-Skies air services agreement when they meet in Buenos Aires in March 1999 that incorporates a reasonable transition period and opportunities for marketing arrangements (code-sharing) among airlines. They agreed that this transition period to Open Skies, to begin in January 2000, must enhance competition and, at each step, allow greater access to carriers of both countries to the growing air traffic market. Foreign investment plays an increasing role in the aviation industry. Both sides agreed that the United States and Argentina should reach an understanding on

foreign investment in aviation that is compatible with the laws and policies of both countries.

President Menem informed President Clinton on his recent trip to Great Britain and the President noted with appreciation the steady improvement in relations between Argentina and the United Kingdom.

The Presidents discussed the scourge of international terrorism, which has inflicted tragic losses on both countries. The President applauded Argentina's initiative at the Second Specialized Conference on Terrorism, hosted by Argentina last November, on the creation of a standing Inter-American Committee on Terrorism. The United States has offered to host the first meeting of the Committee should the Organization of American States authorize its creation.

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ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: PlanetOut NewsPlanet <feedback@planetout.com> (PlanetOut NewsPlanet <feedback@planetout.com> [UNKNOWN])

CREATION DATE/TIME:12-JAN-1999 23:31:21.00

SUBJECT: [GLBT-NEWS:PNO] Out With The In Crowd

TO: GLBT-NEWS List <glbt-news-owner@duh.org> (GLBT-NEWS List <glbt-news-owner@duh.org> [UNKNOWN])

READ:UNKNOWN

TEXT:

NEWS SOURCE: PlanetOut NewsPlanet - <http://www.planetout.com/>

BACKGROUND OF NEWS SOURCE:

PlanetOut is a web site with oodles of news, information, and just plain Web-fun for the gay community. Visit their site and support their news staff that bring you these articles. This particular article may have even more links--for the Web version of this article, go to:
<http://www.planetout.com/newsplanet/article.html?1999/01/12/4>

Out With The In Crowd

NewsPlanet Staff

Tuesday, January 12, 1999 / 08:06 PM

SUMMARY: A gay Latino activist attends a White House Argentine dinner, but doesn't get to tango with Bill ... Versace's "widow" debuts his own collection, with help from Elton and David....

Latino Leader at State Dinner

As Argentina's outgoing President Carlos Menem made his final state visit to the White House January 11, the 170 guests at the formal dinner in his honor included Martin Ornelas-Quintero, executive director of the National Latino/Latina Lesbian, Gay, Bisexual and Transgender Organization, accompanied by Adolfo Mata, director of Migrant Health Services, Health Resources and Services Administration. While it's far from the first time that an open gay has attended a state dinner at the White House, it's still fairly unusual. The event was dominated by the tango, as performed by film star and U.S. Tango Academy chair Robert Duvall and (separately) U.S. President Bill Clinton, among others. Although the evening was designed to celebrate things Argentine, there was no answer on the menu for the timeless question "where's the beef?"

d'Amico Shows, Sir Elton Glows

Gay fashion designer Antonio d'Amico had the enthusiastic support of Sir Elton John and John's partner, David Furnish, at his first showing since the death of his partner, murdered designer Gianni Versace. While John declined to take all the credit for d'Amico's decision to launch his own career, he was one of the friends who encouraged

d'Amico to start his own label when working for his deceased lover's company became too depressing for him. "I'm just glad he's got through Gianni's death now and has made a great start on his own," John said after the Milan Men's Fashion Week show. Furnish was among the close friends of d'Amico's who modeled the collection, which featured lots of leather and glittery patterns.

That John made the debut at all is a tribute to his loyalty to his friend. He dashed off to Milan immediately after his appearance at the People's Choice Awards in Pasadena, California, where, as the chosen All-Time Favorite Musical Performer, he performed a duet with LeAnn Rimes of "Written in the Stars" from the new Disney musical "Aida," penned by John and Tim Rice. After Milan, Sir Elton hurried to London to finish the score for Albert Brooks' film "The Muse." He's also in London to launch a lawsuit against the company of his long-time manager, John Reid. John and Reid parted ways several months ago, and John's new auditors now say they've been unable to account for 20-million pounds; the suit alleging breach of trust, breach of contract and negligence names John Reid Enterprises' former managing director Andrew Haydon and the accountancy firm Price Waterhouse Coopers.

===== From the GLBT-NEWS mailing list =====

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Archive: <http://www.duh.org/glbt-news/>

(Also available on FidoNet in GAYNEWS and ICGAL)

ARMS Email SystemRECORD TYPE: FEDERAL (NOTES MAIL)

CREATOR: Slate Magazine <delivery@slate.com> (Slate Magazine <delivery@slate.com> [UNKNOWN])

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SLATE MORNING DELIVERY: Tues., Jan. 12, 1999

--today's papers: Barr Exam

--international papers: Panetta Blames Dick Morris

today's papers

Barr Exam

By Scott Shuger

The NYT, LAT and WP each lead with the initial brief filings in the impeachment trial. The WSJ flags the story in its front page news box. The headlines at the two Times and the Journal stress the offering by President Clinton of his defense, while the Post big type explains that the paperwork dumped on the Senate includes arguments from both sides. USAT runs its Clinton defense story as the off-lead and goes instead with Michael Jordan's imminent retirement, a story that rates big front play at the NYT and a reefer at the LAT. Another sports story dominates much of the rest of the USAT front: the wildly accelerating prices sports franchises are fetching. For the price--\$800 million--that the Washington Redskins brought over the weekend, you could, notes the paper, buy a space shuttle flight, or Avis or Rolls-Royce.

The upshot of the White House filing is that the charges do not rise to the level of "high crimes and misdemeanors," while the thrust of the House managers' brief is that if President Clinton's transgressions aren't impeachable, then no president not a convicted felon or murderer need ever fear impeachment in the future. It's noted all around that the White House has added a more aggressive wrinkle to its posture: now claiming that it's a "myth" that Clinton did not tell the grand jury the truth about his relationship with Monica Lewinsky. Dissembling about that relationship was confined to the Paula Jones trial deposition, which as it happens, is no longer an issue because the article of impeachment concerning it was not passed.

Everybody notes that with the impeachment trial set to start Thursday, President Clinton eschewed the usual joint press conference alongside visiting Argentine President Carlos Menem. And both the NYT and WP note that the congressional wood shop has been busy building new tables especially for the trial. The Post says its latest poll indicates 85 percent of those surveyed said they had definitely made up their minds about the case, which, the paper says, is "good news for Clinton."

The coverage emphasizes that the White House chose at this time not to file motions challenging the proceedings, motions that could have added weeks to the whole process. But the papers also report that the White House has indicated it will probably file such motions if the Senate chooses to allow the calling of witnesses after the initial presentations by the House managers and the White House defense counsel. The Post notes that the White House has also dropped for now plans for any constitutional challenges such as that the articles of impeachment were passed by a lame-duck House. But, the paper adds, Sen. Tom Harkin and Sen. Paul Wellstone have filed a procedural motion that would open the Senate's closed door for deliberations on trial motions or the final verdict.

The LAT reports that at a Monday night press conference, Larry Flynt accused Rep. Bob Barr, one of the House impeachment managers, of hypocrisy for refusing to answer questions put to him about a relationship with a woman not then his wife (she is now) during divorce proceedings.

Inside pieces at the WP and NYT report that Clinton national security officials including Madeleine Albright and the director of the CIA have recommended that Clinton deny clemency to convicted spy Jonathan Pollard. The official word is that Clinton hasn't come to a decision yet, though. The stories don't mention whether or not Albright and company were influenced by or mentioned to the president this week's New Yorker story by Seymour Hersh arguing that Pollard's intelligence take made its way to the Soviet Union.

The WP's "The Reliable Source" reports that David Duke now has an opponent in the race to fill Bob Livingston's soon-to-be-vacated congressional seat: it's--and this is really her name--Monica Monica.

The NYT op-ed page contains a rumination about the imminence of the millenium by Alain de Botton that scans with the familiarity of an old shoe. But wait a second, it is an old shoe! The piece is merely a lift of two pages from de Botton's two-year-old book, *How Proust Can Change Your Life*, with a 1999 tack-on. Talk about Remembrances of Things Past! Shouldn't the stuff in the newspaper be...new?

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international papers

It's All Dick Morris' Fault

By Alexander Chancellor

In an interview Monday with the *Corriere della Sera* of Milan, Italy, Leon Panetta, the former White House chief of staff, lashed out at former Bill Clinton adviser Dick Morris and blamed him squarely for Clinton's troubles. Asked if impeachment had been avoidable, Panetta replied, "Of course. All Clinton needed to do was to tell the truth at once, instead of listening to the advice of his double-crossing ex-consultant Dick Morris. It was Morris, immediately after the scandal exploded a year ago, who explained to Clinton that America would never forgive him for his escapades with Monica. I had warned Clinton from the beginning about the bad influence of that man, who cares only about opinion polls, bends with the wind of the moment, and doesn't give a damn about moral and political principles."

Panetta said Clinton is in a state of enormous anxiety because "he knows he has damaged the historical inheritance, which he valued more than anything else." His mental equilibrium is preserved by his powers of work and concentration, and his ability "to separate problems into categories, choosing which drawer to open at a time. ... But grief and rage are eating his liver out," Panetta said. In reply to a question about Hillary, he said that she is "such an inexhaustible source of inner strength that it was unthinkable to imagine that she could abandon him just at this most crucial moment." He added, "Nobody knows how the crisis may have affected their marriage: but those who know the first lady well know that she is a woman of great strength, with very broad shoulders."

The same Tammy Wynette qualities cannot be credited to the ex-wife of British Foreign Secretary Robin Cook, who left her to marry his diary secretary. In a new book serialized in the London Sunday Times, Margaret Cook excoriates Cook as a serial adulterer, liar, and drunk. Britain's best-selling tabloid, the Sun, made the most of the scandal Monday with a front-page headline asking "Would YOU sleep with this man?"--complete with phone numbers that allow readers to offer a "Yes" or "No" response. "Robin Cook is, frankly, no Brad Pitt," it said. "He has been likened in the past to a garden gnome and even a prawn. ... And the Sun would dearly love to know the secret of his pulling power." But in an editorial, the Sun said he should not be fired because "he performed well over the bombing

of Iraq and has built up a solid relationship with his American opposite number Madeleine Albright."

Both the Sun and the Sunday Times are owned by Rupert Murdoch, who was condemned Monday in an editorial in the liberal Guardian of London for "intrusion into the sad, sorry lives of others." It said, "An uncomfortable pattern is beginning to emerge. ... In Britain, Rupert Murdoch's News International puts politicians on alert, whether by 'outing' [British Agriculture Secretary] Nick Brown in the News of the World or dishing the dirt on Robin Cook in the Sunday Times. In the US, the Murdoch-owned New York Post runs (later disproved) hokum about a Bill Clinton love-child, as if doing its bit to drive the president from office."

The Guardian concluded that "perhaps it's time Rupert Murdoch was held to account--not for his private life, as he insists on doing with politicians, but for the poisoning of public life across the globe." In another Murdoch newspaper, the Times of London, columnist William Rees-Mogg wrote an op-ed piece Monday comparing the cases of Clinton and Cook. "Cast both stories as novels, and ask what is the core of the plot," he wrote. "A mature woman is married to a man who is a perpetual adolescent; he is clever and good with words, but lacks a sense of self-worth, and relieves his depression with recurrent affairs of varying importance."

Tony Blair, back from vacation to try to weld together his fractured and scandal-riven government, was mocked in the Christmas issue of the satirical magazine Private Eye for publishing so many articles in newspapers. Under the spoof headline "Blair wins 'Journalist of the Year' Award," it wrote that the prime minister had "presented himself with the award for writing the greatest number of articles in newspapers in the last year." The trend continued this week, not only in Britain but also abroad. There was a piece in a recent Wall Street Journal about the launch of the euro, and on Monday there were three more --one leading the front page of the Irish News of Belfast, one in Libération of Paris, and one in La Stampa of Turin, Italy (the last two defending Britain's participation with the United States in military action against Iraq).

In a front-page La Stampa editorial Monday, a former Italian ambassador to Washington, Boris Biancheri, took issue with Blair and claimed that Britain's part in the Iraq bombing "had above all the function of covering up what would have otherwise been an excessively visible American isolation." He wrote, "To pretend that this was done to strengthen American confidence in Europe and faith in its credibility is frankly to expect too much of our credulity."

In France Sunday, Le Monde devoted a full page to the alleged role of UNSCOM as "a toy of the American espionage services" in Iraq and carried a report from Jerusalem about the "decisive" role of Israel in eavesdropping on Baghdad. In Israel itself, the daily Ha'aretz led Monday with a report that former Foreign Minister Moshe Arens, who appointed Benjamin Netanyahu as his top aide at the Israeli Embassy in Washington in 1982, has decided to stand against his

former prot'e'g'e' for the leadership of the Likud Party and as its candidate for prime minister in the May elections. He made the decision after commissioning his own opinion poll, which showed that "Netanyahu has a credibility problem with nearly half of the Likud Party's members who will vote in the primaries."

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SANTER JOLTED

+ The European Parliament rattled the EUROPEAN COMMISSION with a series of censure motions that -- but for a compromise -- might have led to the sacking of the entire 20-strong body, which had promised to report by March on allegations of fraud and mismanagement.

+ GERMANY's centre-left coalition released details of a bill to offer dual citizenship to many of the country's 7m foreigners. Although the bill is more restrictive than was first planned, the conservative opposition said it would still oppose it.

+ A left-wing, secular-minded nationalist, Bulent Ecevit, became TURKEY's

prime minister. His caretaker government is expected to rule the country until a general election, probably in April.

- + The KOSOVO LIBERATION ARMY freed eight Yugoslav soldiers after days of international mediation, and demanded that nine of its own guerrillas be freed.
- + A former economy minister of SLOVAKIA, Jan Ducky, was shot dead. Local gangsters were suspected.
- + After nearly 13 years in office, the SWISS foreign and justice ministers, Flavio Cotti and Arnold Koller, said they would step down.
- + Italy's prime minister, Massimo D'Alema, said that more police would be sent to MILAN after an unprecedented string of violent robberies and murders there.
- + The United States IMPOSED SANCTIONS against three Russian institutes for allegedly exporting missile and nuclear technology to Iran.

IRAQ, CONT

- + Saddam Hussein increased his verbal attacks on other Arab governments
-
- a sign of desperation, said America. He also spoke of the need for "dialogue". France proposed a phased lifting of the OIL EMBARGO against Iraq and a less intrusive arms-monitoring system. American planes attacked missile sites in Iraq.
- + Three Islamic militants in YEMEN were charged with the murder of four western tourists. The government continued to hold five Britons it claimed were terrorists. A British oil worker held by rebels was freed.
 - + Soldiers loyal to the government regained most of the capital of SIERRA LEONE, as rebels, who had invaded a week earlier, retreated to nearby hills. People who had been trapped without food or water since the start of fighting told of rebel atrocities. The rebel leader was flown to Guinea for ceasefire talks.
 - + Rebel-held Kisangani in CONGO was bombed by government aircraft, killing about 40 people.

ENDLESS PROCESS

- + Preceded by an exchange of charges and rebuttals, THE TRIAL of President Clinton at last opened formally in the Senate.
- + According to government data, spending on MEDICARE, the federal health-insurance programme for the elderly, grew by only 1.5% in 1998, the smallest increase since the programme began in 1965.
- + In COLOMBIA, nearly 150 civilians, including women and children, were massacred by right-wing paramilitary squads. In the "demilitarised" zone in the south, after the formal opening of peace talks with the government there, left-wing FARC guerrillas put on a display of 1,000 armed men, and said they would fight on until 80% of what they want was conceded.
- + VENEZUELA's president-elect, Hugo Chavez, picked the current finance minister, Maritza Izaguirre, to retain that post. Visiting four European countries, with Canada and Cuba to follow, his message was the same: stability, and a promise to honour Venezuela's debt, while seeking to restructure it.
- + Visiting Washington, ARGENTINA's President Carlos Menem signed a defence-procurement agreement, tangoed with Hillary Clinton, and got an assurance that the American president would talk to Britain's Tony Blair about the disputed Falkland Islands. Britain's Prince Charles is to visit Argentina in March.
- + The left-wing mayor of MEXICO CITY, Cuauhtemoc Cardenas, won the backing of most of his party's congressmen as their future presidential candidate.

SUPPORT FOR TIMOR

- + The people of EAST TIMOR should eventually be allowed to vote on independence, said the Australian foreign minister, Alexander Downer, in a change of policy. Indonesia is considering a form of autonomy for the former Portuguese colony it annexed more than 20 years ago.
- + As a final step towards forming a coalition government, Keizo Obuchi, JAPAN's prime minister, reshuffled his cabinet to make room for Takeshi Noda, number two in the opposition Liberal Party. The Liberals' 47 seats in the Diet boosts the ruling LDP's majority in the lower house, but still leaves it embarrassingly short in the upper house.

+ Prosecutors altered their charges in the trial of ANWAR IBRAHIM, Malaysia's former deputy prime minister. They will no longer have to prove sexual allegations in order to convict Mr Anwar of abusing his power. Abdullah Ahmad Badawi, the foreign minister, was appointed the new deputy prime minister.

+ Three government ministers in THAILAND face a vote of no confidence. The opposition has accused them of inefficiency in handling the country's economic problems.

+ After a lull of four months, fighting resumed in AFGHANISTAN north of the capital, Kabul, between the Taliban, who control most of the country, and forces of the ousted government.

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