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► **Michele Jolin**
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Subject: 1998-09/21 POTUS opening statement and excerpts NYU

THE WHITE HOUSE

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

For Immediate Release

September 21, 1998

OPENING REMARKS AND EXCERPTS BY THE PRESIDENT
AT STRENGTHENING DEMOCRACY IN THE GLOBAL ECONOMY: AN OPENING DIALOGUE

New York University School of Law
New York, New York

4:42 P.M. EDT

THE PRESIDENT: Thank you very much, John. I would like to thank you and the NYU School of Law, the Progressive Policy Institute, the World Policy Institute and the New School University -- all of you -- for your

Then there are national problems which have global impacts because they're so big. And they prevent countries from becoming what they ought to -- air pollution, water pollution, soil erosion, food supply pollution, those kinds of things. Then there's a huge problem we've got that's sort of in the middle -- it's partly the result of global warming and partly the results of national pollution, and that is the degradation of the oceans, which is a breathtaking environmental problem that if unaddressed we will pay a huge price for.

Now, from my point of view, there are two big issues here -- and I agree with Tony, I think Kyoto is a big step forward. So I go to my Congress that's supposed to be Republican, free market oriented and I say, okay, guys, no regulations and no taxes, tax cuts and increases for research and development. And they say, it's a Communist plot and they hold hearings -- (laughter) -- about how, you know, this is just some deep, dark conspiracy to undermine the strength of the United States.

Now, wait a minute. You're laughing about this but actually behind this as opposed to some other things there is the core of an idea they have. (Laughter.) This idea, widely shared in the developing world and held onto in America more than any other developed country is -- it goes right against what Tony said -- this is very serious, we're having fun, but this is a serious conversation -- their idea is that there is an inevitable iron connection between the production of greenhouse gases through the burning of fossil fuel and economic growth; and if you reduce greenhouse gases going into the atmosphere there is no way on Earth that you will not reduce economic growth.

There's all this business about technology and conservation and it's all a big plot designed to bring down the growth machine of America. Now, you laugh -- we've had hearings on it, we've spent hundreds of thousands of dollars complying with subpoena requests and document requests and sending witnesses up to the Hill to basically say this is not a conspiracy to destroy the future of America.

But the serious idea here is, if you want something done about climate change, you must prevail in every developing country with evidence -- evidence that there is no longer an iron connection between the burning of fossil fuels and economic growth.

The second point I want to make goes to the second question they ask about: how come we spend so little on foreign aid on the poor now? Because they don't have any votes in our country and because we don't think enough about it. I mean, every year my foreign aid budget is cut back.

But one thing we can do is to participate jointly with other countries in environmental projects in developing

countries in ways that help reduce climate global warming and create lots of jobs in areas where there are lots of poor people.

I believe if there is a serious global effort to deal with these environmental challenges, we would be investing all over the world the way the United States did, for example, in a massive reforestation project in Haiti. And when you do that kind of work, a lot of this work is very basic work that needs to be done, you can create huge numbers of jobs for poor people who would otherwise not have them.

So I would say to all of you, I think this is a big opportunity -- I tried to say some provocative things to make you laugh so you'd listen, because it's late in the day and you're all tired. But I'm telling you, the biggest environmental -- the obstacle to our having responsible environmental policy in the whole world, including in the United States, is the belief of too many policymakers in 1998 that there is still an iron law between how much junk you put in the atmosphere and how much your economy grows.

And until we break that in the minds of decision-makers, we will not do what we should do on the climate change challenge, and until we do it, we are playing Russian roulette with our children's future and running an increased risk that this will be the national security issue of the 21st century. (Applause.)

* * * * *

THE PRESIDENT: John, I would like to thank you, the law school, and NYU and the other sponsors of the event. Again, let me thank all of you who participated. And I want to thank Hillary and Sid Blumenthal and the others who conceived of this, and Mr. Blair's folks in Great Britain, who worked so closely on this.

I would like to close with -- ask for just a brief reprise of two things we talked about. One is, can this whole third way approach be applied successfully to long-term problems that have big consequences before they have them, i.e., in American terms, Social Security, Medicare, climate change.

Two is, can we not only develop a global consciousness and global policies within our respective country, but actually band together to deal with this present global financial challenge in a way that gives us a trading system, a labor rights system, an environmental system and a financial system that, in effect, recreates what works on the national level, globally; that, in effect, takes these great 50-year-old institutions and does whatever has to be done to make sure that they see us through for the next 50 years.

loty

10/21/97

(second hand
from 18??)



2008-2012 average

will = 1990

no ~~per~~ trial period.

Permit system into effect

EC. reviews

R&D

Tax breaks

\$ 55 over 5 yrs

voluntary pgms. with industry

POTUS

10/1/97

GS You should know JY & LS are committed to accepting ^{up in at end} _{po. "ge" up" shoot"}

LS 3 pages L.S. : ~~most~~ most optimistic 1990 by 2010 is 5-6% : "850/ton"

JY 5/100 diff in 2100 if LDC behavior doesn't change

Bowles what's diff in econ? "massive"

POTUS only oil is the ideal energy basis in which econ. wealth is based

But whether we put power plant out of business.

JY do it ~~can~~ smart or dumb. 23 are CDO letter
would regard 1990 by 2010 as dumb
POTUS 2x we did 4% gas tax

Kim McC : other studies Guder should < 850 . 42.

Escape clause POTUS: Can we get away with it? will others go along

U.S. LS & JY converged lit fairly
int. trading system won't get any support

without being either flaky or another body
acknowledged every ^{little} bit of pain
POTUS humble

KT Europeans are in it because of bubble
POTUS Eur expansion
Me yes. incentive to expand. But even with bubble (anyway Eur 15)

9/15/47



GCL

RTUS + ENVLOS

cabinet rm.

• POTUS. Personally committed to doing something

Science is clear

more likely to succeed. US has to agree to budget targets, but has to be achieved

Engage Amer. people.

Haven't come to grip

Synd. Amendment,

LOCs ought to do something.

[\$13 m. all campaign.]

• Karpinski

• Bud Riss (UCS)

• Early + decisive action

• Reductns below 1990 levels by 2025

• us + asia must lead the way

• Fred Knapp (EOP)

cap like SO₂.

We're 40% ahead of schedule, at 1/10

the cost.

support flex. But strong + early

Concerns.

Techn. initiative fine, but need targets

postponed Later than 2005 a problem,

• John Adams? "Public understands this issue." "have scorn for those trying to mislead."

Clear. delay. caps on CO₂ + NO_x

Rather have a strong treaty, even if it can't be ratified right away.

• Carl Pope, Sierra club

Calif. hurricane

(1) need a bold treaty (2) whole govt. needs to show this is serious, cabinet

(3) get everyone involved: schools, churches, farmers...

• Kathryn Fuller.

melman polling.

3/4 said GCL will be a problem

2/3 right now.

Majority said reductns by 2005.

Respiratory disease resonates.

POTUS malanda

- Lash

can be beneficial economically

focus. A paradigm to into techn. could increase wealth. Certainly the

quality of life

- Lash: Models predict pos. ^{depend on} policy: flex, JH, proceeds
put back in PEC, other benefits (health), effect. responses
Atmos

Ecologists. Limit warming to 1°C. Early start 2005

• type: corporate CO2?

POTUS

oil & gas people negative. others less neg., to pos.

SO₂ ended up lower costs & better results. My guess is GCC would be
the same. Bus. attitude: top down reg. vs. market-oriented ok

Bus groups not particularly opposed to fuel tax, but Congr. zero chance
new kind of tax reform. ~~But~~ switch tax policy from favoring bad energy to good.

Atmos
how can
we help?

Fuel tax, revenue needed offset by reform, if you want to do that,
could push for it. if Reps. make tax the issue
in 98, could seize that.

VP: public is not yet ready to give permission for this sort of action.
necessary. Long before consensus for Montreal Protocol,
was thought politically impossible.

• POTUS: How many Senators have read/listened a serious presentation.

on GCC? we agree.

POTUS only Q: How much can we do & how are going to do it?

Dwight every other enviro. topic.

• Babbitt: not convinced that strong treaty is now definitely best way
to go regardless of politics, Pres. has a more balanced nuanced decision to make.

• POTUS now persuades 1990 levels nowhere enough for where
we need to go over next 50 yrs.

• Kate McG battling models. need validators. Like John Browne

Draft 1/30/98 11:40am

 98 JAN 30 AM 11:11

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON CLIMATE CHANGE TECHNOLOGY INITIATIVE
THE WHITE HOUSE
January 30, 1998

Good morning. Today I'd like to talk to you about one of the ways we are strengthening the nation for the 21st century: our bold new efforts to help head off the threat of global climate change through the power of the market and the force of American innovation.

The world's leading climate scientists have concluded, unequivocally, that if we do not reduce the emissions of greenhouses into the atmosphere, the Earth will heat up, the seas will rise, and severe storms will threaten property and life. Fortunately, we can avert these dangers -- and we can do it while maintaining our strong economy.

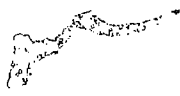
This past December, America led the world to reach a historic agreement committing nations to reduce greenhouse gas emissions through market forces, new technology, and energy efficiency. We have it in our power to act right here, right now. In my State of the Union address, I called for an unprecedented commitment of \$6 billion for research and tax incentives to mobilize cutting-edge technology in the fight against global warming. Now I'd like to explain just what that means for you.

First, we will bring down the price of high-efficiency cars for every American. Last month, Ford, GM, and Chrysler unveiled prototypes of advanced-technology cars that get more than twice the mileage as today's models -- with no sacrifice in comfort, safety, or performance. When cars like these begin to fill the showrooms in the year 2000, we'll give everyone who buys one a \$3,000 tax credit -- and it will apply to every size car. When these cars become even more efficient, we'll increase the tax credit to \$4,000. We are committed to making it not only wiser but cheaper to buy highly efficient cars.

Second, we will help you turn your home into a model of energy efficiency. We'll offer tax credits that will give you a discount of 20% off the cost of energy-saving water heaters and air conditioners. And, as Vice President Gore announced in California yesterday, we will also offer a tax credit -- worth up to \$2,000 -- to help you put solar panels on your roof.

Third, we will step up research on clean, renewable energy and energy-efficient technology. We'll help develop energy-saving lighting, refrigerators, and other appliances that will mean lower monthly bills for you. And we will work with industry to cut their energy use -- so they can protect the environment while enhancing their bottom line.

Whenever we act to heal our environment, the pessimists say it will hurt our economy. But today our economy is the strongest in a generation -- and our environment is the cleanest in a generation. Whether the problem was acid rain, deadly pesticides, polluted rivers, or the ozone hole, the ingenuity of the American people has always proved the pessimists wrong. And we will do it once again. Working together, we will overcome the challenge of global climate change. We will create new avenues of economic growth. And most important, we will honor our deepest responsibility to pass on this home, without harm, to our children, our grandchildren, and generations yet to come. Thanks for listening.



State of the Union excerpt on GCC

Our overriding environmental challenge tonight is the worldwide problem of climate change, global warming, the gathering crisis that requires worldwide action. The vast majority of scientists have concluded unequivocally that if we don't reduce the emission of greenhouse gases, at some point in the next century we'll disrupt our climate and put our children and grandchildren at risk. This past December, America led the world to reach a historic agreement committing our nation to reduce greenhouse gas emissions through market forces, new technologies, energy efficiency. We have it in our power to act right here, right now. I propose \$6 billion in tax cuts and research and development to encourage innovation, renewable energy, fuel-efficient cars, energy-efficient homes.

Every time we have acted to heal our environment, pessimists have told us it would hurt the economy. Well, today our economy is the strongest in a generation, and our environment is the cleanest in a generation. We have always found a way to clean the environment and grow the economy at the same time. And when it comes to global warming, we'll do it again. (Applause.)

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 22, 1997

PRESS BRIEFING

BY

**CHAIR OF THE NATIONAL ECONOMIC COUNCIL GENE SPERLING,
ASSISTANT TO THE PRESIDENT FOR INTERNATIONAL ECONOMIC POLICY
DAN TARULLO,
DEPUTY NATIONAL SECURITY ADVISOR JIM
STEINBERG,**

**STAFF SECRETARY TODD STERN,
CHAIR OF COUNCIL ON ENVIRONMENT QUALITY KATIE MCGINTY,
AND DEPUTY SECRETARY OF TREASURY LARRY SUMMERS**

The Briefing Room

1:15 P.M. EDT

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

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

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

Mr. Sperling.

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

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

The President puts forward a proposal today that one can see in three stages. The first stage is where the President says, here are the things America can do without waiting, without, we

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

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

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

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

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

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

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

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

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

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

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

So the President is saying it's time to give the issue the seriousness it merits; binding reductions are very important. But those reductions should be realistic and achievable. What the

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

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

The Clean Air Act has provided us with a wonderful example. We've reduced the emissions that cause acid rain by more than 40 percent of what was required under the law for less than a tenth of the price that was predicted. How? Because we used innovative means, a marketable permit scheme, where firms can trade among themselves the right and the obligations to reduce emissions. We've reached targets that way, but in a much more cost-effective manner. So the President is exerting leadership here by saying we will put those market forces to work to help us take on this objective.

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

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

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

Thank you.

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

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

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

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

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

Secondly, as I think Katie mentioned, flexibility is of key importance. It is an essential component of the President's domestic agenda on climate change; it must be an essential component of the international agenda on climate change. That means international emissions trading; it means international joint implementation proposals and mechanisms so that the most cost-effective means of reducing emissions are available to all the countries of the world to seize.

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

countries.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

when we were able to reach that goal.

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

Now, in the years 2008-2012, when you're in that binding period and you have emissions trading, that is the period where there could be arguments as to what the possible impacts would be on energy. But the truth is, it's pretty hard for any of us to know. And so I think the President, in providing a sensible path, in going forward and making sure that we are doing all of the win-win, positive things first, that down the road Congress and the President will have to evaluate whether those have been enough and whether we have to take more strenuous steps.

Q So no increase in energy prices?

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

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

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

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

DEPUTY SECRETARY SUMMERS: Thank you, Gene.

If I could just add, this is a helping-hand approach, rather than a heavy-handed approach to working to reduce energy consumption. It doesn't provide for mandated increases in prices on energy over the next decade. And it does contain a number of provisions that are likely to work to reduce energy costs.

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

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

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

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

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

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

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

MR. SPERLING: What's that? The next time that we predict what a particular policy right now will be 13 from now with an econometric model, you can be free to show that to me, and I would say you'd have a hard time showing a time in the past that we've tried to predict 13 years out in that sense. But we have certainly

been locked in doing a tremendous amount of economic analysis. When you look at the things there, you will see, for example in the five-lab study, that there is, from the Energy Department, there is very careful analysis on what the potential is for reducing metric million tons of carbon through the efficiencies in the three main sectors --the building, the transportation, and the industrial sectors.

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

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

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

And that's one of the points one has to understand in climate change. When you reduce a million metric tons of carbon, when you reduce carbon emissions anywhere in the globe, it has the same impact. And so having a system develop over time that allows that to happen will be absolutely critical and vital to what the costs are. If you assume that that will work very well, extremely well, then you can have very, very, very, very low cost impacts. If you assume that it won't, then it would be more difficult.

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

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

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

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

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

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

MS. MCGINTY: It's still under discussion.

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

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

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

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

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

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

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

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

our budget review in the first two weeks of December, and so we will have time and opportunity to spell out in detail as we present our budget the exact specifics. Certainly, the -- recommendations will be highly considered and certainly many of those will make it into our budget.

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

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

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

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

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

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

They have signed up voluntarily and have voluntarily reduced their emissions significantly.

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

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

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

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

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

MS. MCGINTY: Budgetary in what sense?

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

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

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

MS. MCGINTY: Well, I'll first of all remind you of what the European policy is. Overall, the European Union has called for a 15 percent reduction from 1990 levels by the year 2010. Now, the

reasons that that approach is not appropriate for the United States, that we feel is not realistic or achievable, is also related to why we believe our plan is significant, but realistic and achievable.

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

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

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

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

Q What's the point of having an economic review of how we're doing five years out if we're committing to binding targets? I mean, if you're saying we absolutely will meet these by this date, and your economic review says, geez, you know what, it's going to cost a lot more money than we thought it would? There's no opt out, is there?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Q That's not been answered.

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

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

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

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

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

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

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

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

discuss.

Q But you all never told them that?

MS. MCGINTY: No.

THE PRESS: Thank you.

END

2:04 P.M. EDT

Message Sent To: _____

Draft 10/22/97 3:15am

**PRESIDENT WILLIAM J. CLINTON
REMARKS ON CLIMATE CHANGE POLICY
THE NATIONAL GEOGRAPHIC SOCIETY
October 22, 1997**

Six years ago tomorrow, shortly after I announced my intention to run for President, I returned to my alma mater, Georgetown, and challenged America to envision a bold course for our country in the 21st Century -- to make the American Dream come alive for every person responsible enough to work for it, to keep our country the world's strongest force for peace and freedom and prosperity, to bring our people together across all the lines that divide us, into one America.

Together, we have made real progress. America stands at the threshold of that new century stronger than we have been in many years. Our economy is thriving, our social fabric is mending, and we have helped lead the world to an era of growing peace and cooperation. We must now use our momentum to propel us forward to meet new challenges -- to rise to our obligation to the future and to pass on to our children the home that God gave us -- restored and flourishing.

Today, we have a golden opportunity to conquer one of the most important challenges of the 21st Century -- the challenge of global climate change. In a few moments, I will present an environmentally strong and economically sound strategy to reach a goal that everyone can share: achieving meaningful reductions in greenhouse gas emissions here in the United States and throughout the industrialized and developing world. It is a strategy that will create a wealth of new opportunities for entrepreneurs at home, uphold our leadership abroad, and harness the power of free markets to free our planet from an environmental risk.

It is time to reject the false choices posed by those who doubt America. America can stand up for our national interest -- and stand up for the common interest of the citizens of the world. America can improve the health of our environment -- and expand the vibrant growth of our economy. Most important, America can build on our prosperity today -- and ensure a healthy planet for our children tomorrow.

America has earned its exceptional place in history not only because of the power of our ideals, but also because we have always risen to overcome challenges that time and chance have placed before us. Global warming is one of the greatest challenges of our time. And in so many ways, it encompasses the new realities of the new century. Many previous threats could be met within our own borders; global warming requires a global solution. Many previous threats came from single enemies; global warming derives from millions of sources. Many previous threats posed clear and present dangers; global warming is far more subtle, warning us not with roaring tanks or burning rivers, but with invisible gases and climatic disruptions that, thank God, have not yet hit home for most Americans.

But make no mistake: If we do not change course now, global climate change will be a disturbing -- and, at times, dangerous -- reality for all of us. The vast majority of the world's

climate scientists have concluded that if the countries of the world do not work together to cut the emission of greenhouse gases, temperatures will rise and will disrupt the global climate. In fact, most scientists say this process has already begun. They don't yet know what the precise consequences will be -- for example, how much global warming will speed the spread of disease or how much more often our cities will suffer severe heat waves. But given what they do know, it would be a grave mistake for us to avert our gaze, hoping that by ignoring reality we will never have to deal with it. The time is now for America to act. The time is now for America to lead.

We know what we must do. And we now know how we must do it. America's growing economy is the wellspring of opportunity for our families. We will not apologize for our prosperity; we will not jeopardize our prosperity. We will capitalize on our prosperity to meet and master this global challenge.

With that principle in mind, I am announcing the instructions I am giving our negotiators as they pursue a realistic and effective international climate change treaty. And I am announcing a far-reaching proposal that provides flexible, market-based, and cost-effective ways to achieve meaningful emissions reductions here in America.

In the international climate negotiations, the United States will pursue a comprehensive framework that includes three elements, which, taken together, will enable us to build a strong and robust global agreement. First, the United States proposes that at Kyoto we commit to the binding and realistic target of returning emissions to 1990 levels between 2008 and 2012. And we should not stop there. We should commit to reduce emissions below 1990 levels in the years that follow. The nations of the world tried to reduce emissions to 1990 levels once before with a voluntary approach, but regrettably most of us fell short. We need to find new resolve to achieve these reductions, and to do that we simply must commit to binding limits.

Second, we will embrace flexible mechanisms for meeting these limits. We propose an innovative "joint implementation" system that allows a firm in one country to invest in a project that reduces emissions in another country and receive credit for those reductions at home. And we propose an international system of emissions trading. These innovations will cut worldwide pollution, keep costs low, and help developing countries protect their environment, too.

Third, all countries must participate in meeting the challenge of climate change. The United States will not assume binding obligations unless key developing nations meaningfully participate in this effort. As President Carlos Menem stated forcefully last week when I visited Argentina, "a global problem such as climate change requires a global answer" -- and I commend him for his leadership. We both recognize that if the entire industrialized world reduces emissions over the next several decades but emissions from the developing world continue to grow at their current pace, concentrations of greenhouse gases in the atmosphere will continue to climb. I believe that developing countries have an opportunity to chart a different energy future -- one based on clean and cheap technologies. We can and must work together on this problem in ways that benefit us all.

Here at home, we must move forward by unleashing the full power of free markets and technological ingenuity to meet the challenge of climate change. I propose a sweeping plan that will provide incentives and lift roadblocks to help our companies to find new and creative

ways of reducing greenhouse emissions.

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

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

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

Fourth, we must reinvent how the federal government, the nation's largest energy consumer, buys and uses energy. Through new technology, renewable energy sources, innovative partnerships with private firms, and assessments of greenhouse gas emissions from major federal projects, the federal government will play an important role in helping the nation meet its goals.

Fifth, we must unleash competition in the electricity industry, to remove outdated regulations and save Americans Billions of dollars. We will do it in a way that leads to even greater progress in cleaning our air and delivers a significant down payment in reducing greenhouse gas emissions.

Sixth, we must encourage key industry sectors to prepare their own greenhouse gas reduction plans. If there are ways the federal government can help industry achieve meaningful reductions voluntarily, we want to know how.

This plan is sensible and sound. Since this is a long-term problem requiring a long-term solution, my plan will be phased in over time. But we want to get moving now. We will start with our package of strong market incentives, tax cuts, and cooperative efforts with industry. We want to stimulate early action and encourage leadership.

And as we reduce our emissions over the next decade with these efforts, we will perform regular reviews to see what works best for the environment, the economy, and our national security. After we have accumulated a decade of experience, a decade of data, a decade of technological innovation, we will launch a broad emissions trading initiative to ensure that we hit our binding targets. Some might say that a decade from now we won't be ready. I think they're wrong. But one thing that is clear is that if we don't get started now, our challenge will be much greater and our choices much more difficult.

And remember, the plan plays to our strengths -- innovation and creativity. In the past few months, I have been overwhelmed by the tremendous environmental technologies our companies are developing and the kind of common-sense solutions our people are putting to use. Just yesterday, Secretary Pena announced a dramatic breakthrough in fuel cell technology that will clear the way toward developing cars that are twice as efficient as today's models and reduce pollution by 90%. This breakthrough was made possible by our pathbreaking partnership with the auto industry

to create a new generation of vehicles.

And I must stress that it doesn't take advanced science to achieve dramatic energy benefits. We simply have to take advantage of what's already available. In the town of West Branch, Iowa, a science teacher named Hector Ibarra challenged sixth graders to apply their classroom experiments to making their school more energy-efficient. The class obtained a \$14,000 loan from a local bank and put in place easily available solutions. These students cut energy use by nearly 70%. Their savings were so impressive that the bank decided to upgrade its own energy efficiency.

Our industries have produced a large group of efficient new refrigerators, computers, washer/dryers, and other appliances that use far less energy, save money, and cut pollution. If over the next 15 years everyone were to buy only those energy-efficient products marked in stores with EPA's distinctive "Energy Star" label, we could shrink our energy bills by a total of about \$100 Billion over the next 15 years and drastically cut our greenhouse gas emissions.

Despite these win-win innovations and commitments that are emerging literally every day, I know full well that some will criticize our targets and timetables as too ambitious. And, of course, some will claim we have not gone far enough. But before this debate begins in earnest, let us remember that over the past generation, we have produced tremendous environmental progress -- at far less expense than anyone could have imagined -- and built whole new industries in the process.

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

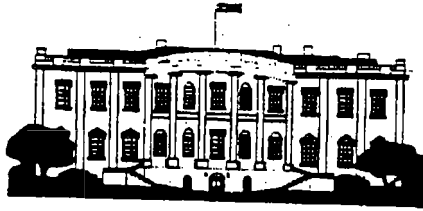
In 1970, when smog was choking our cities, the federal government proposed new standards for tailpipe emissions. Many environmental leaders claimed that the standards would do little to head off catastrophe. Industry experts predicted that the cost of compliance would devastate the industry. Both sides were wrong. Both underestimated the ingenuity of the American people. Automakers comply with today's much stricter emissions standards for far less than half the cost they predicted -- and new cars emit, on average, only 5% of the pollutants of the cars built in 1970.

We have seen this pattern over and over again. We saw it when we joined together in the 1970s to restrict the use of the carcinogen vinyl chloride. Some in the plastics industry predicted massive bankruptcies, but chemists discovered more cost-effective substitutes and the industry thrived. We saw this when we phased out lead in gasoline. And we see it with our acid rain trading program -- now well ahead of schedule and well below even the most optimistic cost projections.

The lesson here is simple: Environmental initiatives, when designed sensibly, when implemented flexibly, cost less than expected and provide unforeseen economic opportunity. So while we recognize that the challenge we take on today is larger than any environmental mission we have accepted in the past, we know that when Americans work together we can solve problems that seem utterly intractable. We have heard the dire predictions of pessimists before. In every age, America has proved them wrong -- and we will do so again here. I have great faith in America.

And let us remember that our challenge today is not just about targets and timetables. It is also about our most fundamental values and our deepest obligations. Later today, I will have the honor of meeting with Ecumenical Patriarch Bartholomew I, the spiritual leader of 300 million Orthodox Christians and a man who has always stressed the deep obligations inherent in God's gift of the natural world. He reminds us that the first part of the word "ecology" derives from the Greek word for "house." In his words, "In order to change our behavior toward the house we all share, we must rediscover spiritual linkages that may have been lost and reassert human values." He is absolutely right. It is our solemn obligation to move forward, with courage and foresight, to pass on this beautiful home to our children and future generations.

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JLY
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Date: 10/2

To: Climate Change Representatives

From: Kris Balderston

Facsimile: _____

Telephone: _____

Subject: _____

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Climate Change Message

Climate change is a serious problem for us, our children and our grandchildren. The President is committed to taking responsible action to confront this threat. The United States will support international agreements that establish realistic commitments and that require participation by all countries -- industrial and developing. At home, we support flexible, market-based policies based on the principle that vigorous economic growth and environmental protection must go hand in hand. It is up to us not only to *prepare* our children for the world of the 21st century, but to *protect* that world for them.)

Climate Change Talking Points

The Need for Action

- The scientific consensus is clear that (1) greenhouse gases are rapidly building up in the atmosphere as a result of human actions; (2) that these increased concentrations will change our climate; and (3) that these changes could have serious adverse and disruptive consequences. Even those who would question whether climate change is *already* occurring recognize the truth of this fundamental proposition.
- In addition, compelling scientific evidence indicates that the human effect on climate is apparent today. The Intergovernmental Panel on Climate Change (IPCC), the authoritative scientific source on the subject, has concluded that, "the balance of evidence suggests a discernible human influence on global climate." More than 2,600 leading scientists have endorsed this conclusion and argued that continued increases in emissions of carbon dioxide and other greenhouse gases "commits the earth irreversibly to further global climatic change and consequent ecological, economic and social disruption."
- Scientists agree that global warming and resulting climate disruptions could seriously harm human health (projections include 50 million more cases of malaria per year); increase the incidence and intensity of floods and droughts; raise sea levels enough to inundate up to 7,000 square miles of U.S. coastline; decrease food production in some of the world's poorest nations; and threaten the survival of many plant and animal species.
- In December, more than 160 nations, including the U.S., will meet in Kyoto, Japan in an effort to complete negotiations on a new international climate change agreement. The Kyoto meeting will follow a last formal negotiating session to be held in Bonn, Germany at the end of October.

International Agreements -- Background and Principles

Background

- The new climate change agreement would replace a 1992 treaty adopted at the Rio Earth Summit. That agreement included *non-binding* commitments to reduce greenhouse gas emissions. Specifically, industrialized countries were to return emissions to 1990 levels by 2000, while all countries were to take policies and measures to limit emissions.
- The industrialized nations, including the U.S., agree that any new treaty should require them to set *binding* targets for emissions reductions. The U.S. has also argued that any agreement would be unacceptable without meaningful developing country participation.

- The European Union has proposed that developed nations agree to reduce their greenhouse gas emissions 15 percent below 1990 levels by 2010. The United States believes this target is unrealistic but has not yet proposed a specific alternative.

Principles

- The Clinton Administration is committed to pushing for an agreement that is balanced, strong and cost-effective at the December meeting in Kyoto.
- The United States will only support an agreement that requires all nations to participate in a common solution to the global problem of climate change. Like other industrialized nations, we realize that our responsibility for large proportions of current emissions requires us to agree on binding reduction targets. But any agreement must also require developing nations to commit to appropriate action. [Note: By 2035, scientists estimate that emissions from developing countries will exceed those of developed nations.]
- The Clinton Administration is committed to reaching an agreement that establishes realistic targets and timetables for reduced emissions. The United States will not sign an agreement that threatens sustained economic growth.
- The United States strongly favors an agreement that is based on flexible, cost-effective methods for reducing emissions of greenhouse gases. Specifically, the United States proposal calls for "emissions trading" among industrialized nations and "joint implementation" (which will allow developed and developing countries to work together to reduce emissions on specific energy projects). These measures will provide strong incentives to achieve the greatest possible emission reductions at the lowest possible cost.

Domestic Policy -- Background and Principles

Background

- The United States has 4 percent of the world's population yet emits more than 20 percent of the world's carbon dioxide. Emissions produced by buildings, industry and transportation each account for roughly one-third of that total. Despite efforts to reduce emissions through federal programs and voluntary partnerships, U.S. emissions of carbon dioxide and other greenhouse gases substantially exceed 1990 levels. (We are not alone almost all industrialized nations will fail to meet the non-binding pledge in the Rio agreement to reduce emissions to 1990 levels by the year 2000.)
- Current Clinton Administration programs to reduce emissions of greenhouse gases include a partnership with Detroit to triple fuel efficiency of passenger cars; pilot projects to help farmers and industry convert crops to liquid and gaseous fuels; and a Department of Energy program to add one million solar energy systems to buildings by the year 2010.

End?
Environ?

Principles

- President Clinton is committed to responsible, balanced action to confront the threat of climate change. The Administration rejects both extremes of the climate change debate: those who support drastic actions that would severely disrupt our economy and those who dismiss the scientific evidence and would do nothing.
- President Clinton will only take actions that preserve our vigorous economic growth. The Administration believes -- and has demonstrated -- that environmental protection and economic growth can and should go hand in hand. More than 2,000 economists, including eight Nobel Laureates, have concluded that there are policy options "that would slow climate change without harming American living standards, and these measures may in fact improve U.S. productivity in the longer run."
- The Clinton Administration will emphasize solutions based on flexible, market-based policies, not government regulation. These programs could include, for example, some form of emissions trading within the United States.
- The Clinton Administration will invest in research and development to promote technologies that reduce greenhouse gas emissions, save energy, and lessen our dependence on foreign oil. We will work to help American industry increase its role as the world leader in developing environmental technologies.

Administration Outreach & Schedule of Upcoming Events

- The Clinton Administration is committed to engaging the American people in a substantive dialogue about the issue of climate change and to listening to a range of views about how best to address the problem.
- President Clinton and Vice President Gore hosted a meeting including three Nobel Laureates at the White House in July to explore climate change science. They have also met with key constituencies on the issue, including business, labor, and environmental leaders.
- Members of the Cabinet are discussing climate change in communities across the nation.
- Senior White House officials have met with a variety of constituencies, including organized labor, a wide array of business interests, the environmental community, and others to listen to specific concerns and discuss responsible ways of addressing climate change that are consistent with maintaining economic growth.
- NOAA is sponsoring a briefing on climate change for weather forecasters from across the

country on October 1, to provide basic scientific information on the issue. The President and Vice President will also address the group.

- The President and Vice President will host the *White House Conference on Climate Change: The Challenge of Global Warming* on October 6 at Georgetown University.

Conclusion

- Climate change poses a threat to all people -- one that may not be immediately apparent today but will grow in severity and significance in years to come. The world must act. And the United States must lead. The President has made clear his intention to do so and is committed both to developing strong, balanced and flexible policies and to educating the public about the importance of this issue (an effort that includes a White House Conference on Climate Change in early October).

CLIMATE CHANGE: BASIC BACKGROUND

Science

The greenhouse effect: Scientists have long understood that the presence of certain gases in nature (principally water vapor, carbon dioxide, methane, and nitrous oxide) act like a greenhouse by trapping heat and keeping the Earth's temperature an estimated 60 degrees Fahrenheit warmer than it would otherwise be, thus sustaining life as we know it.

Human activities have enhanced this greenhouse effect by increasing the concentrations of these gases markedly since the Industrial Revolution. The concentration of carbon dioxide (CO₂), the most important greenhouse gas, has increased 30% from 280 parts per million (ppm) to 360 ppm. Current projections indicate that a business as usual path will result in CO₂ concentrations of 700 ppm by the end of the next century. This would be the highest CO₂ level in more than 50 million years.

Where is there scientific consensus: There is no serious scientific debate about the proposition that (1) greenhouse gases are rapidly building up in the atmosphere as a result of human activities, (2) that these increased concentrations will change our climate, and (3) that these changes could have serious and disruptive consequences.

Where are there scientific uncertainties: No one knows for sure exactly how much or how fast the planet will warm. Scientists estimate a range of temperature increase of 2.0 - 6.5 degrees F by 2100, with a best guess of 3.5 degrees. By way of comparison, a cooling in average temperatures of just 9 degrees produced the last Ice Age.

No one is exactly sure how the climate will react to predicted warming and where the most noticeable impacts will be felt. The majority of scientific opinion suggests that as CO₂ concentrations approach a level of 550 ppm (or double pre-industrial levels), a number of largely negative impacts are likely. These include, but are not limited to, human health problems (increased fatalities from heat stress and the expansion in the geographic ranges of certain infectious diseases), more extreme weather such as floods and droughts, sea level rise, and the loss of a number of animal and plant species.

While the planet has clearly warmed in the past century, no one can say for certain exactly how much of this warming, or of observed climate changes, is due to human influences. The weight of scientific opinion is that human activities *have* already started to warm the planet. The intergovernmental panel of over 2000 climate experts that speaks most authoritatively on the science of this issue, states that the "balance of evidence suggests a discernible human influence on global climate."

Evidence of Climate Change Over the Past Century

- Average global temperature has increased by about 1 degree F.
- Sea level has risen by 4-10 inches.
- U.S. rainfall has increased 6%, an amount of water equal to half the yearly flow of the Mississippi River.
- Mountain glaciers are melting worldwide. For example, Glacier National Park has lost 70% of its glacial area in the last 100 years.
- The ten warmest years of the century have occurred since 1980, and 1995 was the hottest year ever on record.

What is the ultimate solution to climate change: The ultimate goal of any overall climate change strategy must be to stabilize atmospheric concentrations of greenhouse gases. Stabilizing *concentrations* is different from stabilizing *emissions*. Were we to freeze global emissions at today's level, the concentration of greenhouse gases in the atmosphere would continue to rise. This is largely because such gases remain in the atmosphere for long periods of time. Stabilizing concentrations at any reasonable level is a long-term process that will require reducing emissions over time. Kyoto, therefore, should be looked at not as an effort to find a complete solution to climate change, but rather as an important next step toward getting the world on a more sustainable emissions path.

No policy determination has yet been made about what concentration level is acceptable. The pre-industrial level of CO₂ in the atmosphere was about 280 parts per million (ppm). Today, it stands at 360 ppm. Most of the work done by the Intergovernmental Panel on Climate Change (IPCC) on the potential impacts of global warming assumes a level of 550 ppm or roughly twice the pre-industrial level. The IPCC estimates that if current emissions trends continue, we will reach 550 ppm sometime in the next century, with concentrations further increasing to almost 700 ppm by 2100.

Some Key Facts About Emissions

Climate change is a global issue requiring a global response. While developed countries have contributed 75% of total greenhouse gas emissions since the beginning of the Industrial Revolution, developing countries are expected to account for the majority of emissions by 2035.

The United States, with only 4% of the world's population, is today responsible for over 20% of global emissions. U.S. per capita emissions are roughly 50% higher than the OECD average and more than eight times those of China.

CO₂ accounts for more than 85% of all U.S. greenhouse gas emissions, and fossil fuel combustion makes up 99% of our CO₂ emissions.

U.S. CO₂ emissions are divided equally among the three major end uses: buildings (35%), industry (34%), and transportation (31%).

Current U.S. carbon emissions by fuel type are: petroleum (42%), coal (35%), and natural gas (23%).

Despite a series of successful voluntary programs to reduce emissions, U.S. total emissions are expected to be roughly 13% above 1990 levels by 2000, and some 28% above 1990 levels by 2010, assuming a business as usual path.

Why climate change is on the agenda now

This December, the world's nations will convene in Kyoto, Japan to try to conclude an international agreement on greenhouse gas emissions reductions.

The Kyoto meeting -- formally the Third Conference of the Parties to the Framework Convention on Climate Change (FCCC) -- is the latest stage in a process started in Rio in 1992 with the signing of the FCCC. The Convention's ultimate goal is to stabilize atmospheric concentration of greenhouse gases at a level that prevents dangerous human interference with the climate system.

The first step in the process, also agreed in Rio, was for developed nations to reduce greenhouse gas emissions to 1990 levels by 2000 and for all countries to take policies and measures to address climate change. Every developed nation, other than Germany and the United Kingdom, will fall short of the 2000 goal. (Germany and the UK will probably meet the goal but for reasons having nothing to do with climate change -- i.e. absorbing East German emissions and phasing out coal subsidies.)

In 1995, at the First Conference of the Parties, nations commenced the round of negotiations we hope to complete in Kyoto later this year, the goal of which is to develop a new agreement to cover the post-2000 period. Under the so-called Berlin Mandate, parties agreed (i) that they would continue to pursue the Rio Convention's goals, (ii) that developed nations should take on new quantified emissions reduction objectives, and (iii) that there would be no new commitment for developing countries, though developing countries would be required to advance implementation of commitments they made at Rio.

Over the last two years, nations have met at several formal negotiating sessions to begin to structure an agreement. Some countries, most notably the EU, have proposed specific targets and timetables for emissions reductions. The U.S. has put forward a broad framework, outlining what we feel are the key components of a new agreement. We have not yet proposed a target and timetable.

Our goal is to develop a comprehensive U.S. policy position in time for the final negotiating session in Bonn, Germany at the end of October, and then to conclude an agreement in Kyoto this December. However, it is important to note that many important issues remain unresolved.

Key issues in the international negotiations

Binding Targets and Timetables: Broad consensus exists internationally that developed nations should accept legally binding targets and timetables for emissions reductions in a new climate change agreement.

To date, two concrete proposals for targets and timetables have been formally put on the table. The European Union has proposed that developed nations cut back emissions 15% from 1990 levels by 2010. The Association of Small Island States has proposed a 20% reduction below 1990 levels by 2005. The U.S. has stated publicly that we believe both these proposals are unrealistic. Other nations, including Australia, Japan and Canada, have also expressed concern about moving too far too fast.

Several countries (including Australia, Japan and Norway) have supported the notion of "differentiated" targets, under which different developed countries would take on different obligations.

Flexibility: The term "flexibility" has been used primarily to refer to international emissions trading and joint implementation, policies with the potential to substantially reduce costs of compliance.

The U.S. proposal for emissions trading among all developed countries has met with only limited support. However, the EU proposal is somewhat akin to trading in that each member country would have its own target as long as the cumulative total of the member states results in a 15% cut by 2010 (the "EU bubble"). We have insisted that all developed countries be allowed to trade emissions.

Closely related to international emissions trading is "joint implementation" or JI. In a typical case, a company in the developed world would invest in a renewable energy, energy efficiency or forestry project in a developing nation. Emissions avoided as a result of this investment could be credited against obligations at home. Since emissions reductions are typically much cheaper in the developing world than they are in the developed world, significant efficiencies could result. Developing countries would gain benefits in the form of technology transfer and private sector investment flows. JI could occur between developed nations as well.

Despite the potential benefits, most developing countries remain opposed to JI (although support has grown significantly in Latin America). They argue that JI is a way for developed countries to avoid taking responsibility for reducing greenhouse gas emissions. They are also concerned that the cheapest reductions will be used up, making future obligations harder to meet. In addition,

some environmentalists believe that measuring project-based emissions reductions will be too difficult. The U.S. business community has strongly supported JI. Utilities have been among the most active participants in pilot projects to explore its feasibility.

Developing Country Commitments: As part of a draft protocol proposal submitted in January 1997, the U.S. included three provisions relative to developing countries. The most important is the "evolution" concept, which would require developing countries to enter into a separate agreement to adopt legally binding emissions targets and would include a "graduation mechanism" under which developing countries would automatically incur increased obligations on the basis of agreed criteria.

Starting at an international negotiating session in Bonn this July, the U.S. has made clear that more specific proposals on developing country obligations will be a key element of the ultimate U.S. policy.

There is a considerable gulf between the dialogue abroad (where the existing U.S. proposals for developing country participation are almost uniformly considered too aggressive) and at home (where Senator Byrd's resolution, calling for commitments beyond the U.S. proposal and outside the 1995 Berlin Mandate under which this treaty is being negotiated, passed the Senate this summer 95-0).

DOMESTIC POLICIES

The Administration is currently in the process of reviewing domestic policy options for reducing greenhouse gas emissions. Among the options receiving close attention are domestic emissions trading and technology programs.

Domestic Emissions Trading Programs: Under emissions trading programs (sometimes referred to as "cap and trade"), companies would be allowed to buy and sell the right to emit greenhouse gases. The U.S. has had more experience with emissions trading than any other country. The best example is the Clean Air Act's acid rain program, under which utilities are allocated permits based on historical emissions of sulphur dioxide. Permits may be traded. Compliance costs under this program have been much less than expected. An emissions trading regime for carbon dioxide would have to be on a much larger scale, and many issues would have to be addressed (i.e. where constraints would be imposed and under what criteria permits would be distributed) before such a program could be implemented.

Technology Programs: The cost of reducing greenhouse gas emissions in the short term depends greatly on the ability to accelerate use of existing energy-efficient technologies. Over the longer-term, the solution to the climate change problem depends on developing and deploying new technologies that are even more efficient or are based on non-carbon energy sources.

A range of government programs might help accelerate technological change. Research and development programs generally aim to improve technologies by lowering production and operating costs. Significant R&D opportunities exist in areas such as buildings, transportation, combustion, renewables and sequestration (e.g., fuel cells, advanced industrial turbines, advanced diesel engines, and transportation biofuels). In addition, information dissemination programs assist businesses and consumers in identifying opportunities to reduce the energy intensity of their products or services (e.g., using more energy efficient light bulbs, insulation, appliances, etc.).

Existing Administration initiatives in this area include:

Partnership for a New Generation Vehicle (PNGV)

The PNGV program joins the big three U.S. auto makers, federal agencies and many suppliers of materials and equipment in an effort to develop a more efficient car. The program's goal is to triple the fuel efficiency of passenger cars with no decrease in comfort or safety.

The Climate Change Action Plan (CCAP)

CCAP includes some 50 initiatives covering all major greenhouse gas producing sectors of the U.S. economy, including energy demand, energy supply, and forestry. CCAP programs have reduced the rate of emissions growth, but not enough to achieve the goal of reducing emissions to 1990 levels by 2000. CCAP is a voluntary program that relies on partnerships and cooperation with industry and includes both government and private sector investment in new low-emission, high-efficiency technologies. Agency participants include DOE, EPA, and USDA.

Biomass Energy Initiative

DOE and USDA are working with companies to demonstrate power projects for rural development and to improve technologies for converting crops to liquid and gaseous fuels. Pilot projects are running in New York, Minnesota and Iowa.

Million Solar Roofs Initiative

DOE will lead an effort to place one million solar energy systems on the roofs of buildings and homes across the U.S. by 2010. This will be accomplished by using existing federal grants, procurement, and other programs, and by working with local communities, businesses, state governments, utilities, and other groups to spur the sales of solar energy systems. In 2010, this initiative has the potential to avert emissions of carbon dioxide equivalent to those produced by 850,000 cars and could produce the same electrical generating capacity as 3-5 coal-fired power plants.

PCAST Energy R&D Panel

The President's Committee of Advisors on Science and Technology is conducting a comprehensive and strategic review of U.S. energy R&D policies and practices "to ensure the United States has a program that addresses its energy and environmental needs for the next century". The group is examining energy efficiency, fossil, nuclear (fission and fusion), and renewable energy programs and budgets across the Federal government.

Partnership for Advancing Technologies in Housing (PATH)

The PATH initiative plans to have HUD, DOE, and NIST working with building suppliers, assemblers, insurance companies, and state and local regulators in an effort improve the quality of housing and meet ambitious environmental goals without increasing prices. Buildings are responsible for about one third of U.S. greenhouse gas emissions.

DOE's Industries of the Future Program

This is an industry/government partnership with the seven most energy-intensive U.S. industries including chemicals, paper and pulp, steel, aluminum and petroleum. The program has reached technology agreements with each industry that focus the R&D expertise of our national labs on cutting energy use and pollution in each industry.

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

We're going to have to deal with the issue of climate change in a responsible way. No one seriously questions anymore that the climate is warming and that it is going to have some adverse consequences. The question is, how do you do that and grow the economy? Is there a way to do it? Of course, there is. If we would

change our habits tomorrow, just some of our habits, we could with no extra charge, no cost at all on society, get rid of 20 percent of the greenhouse gases with presently available technology -- tomorrow. So what we have to do is to try to find a way to organize ourselves, increase our awareness and do this in a way that doesn't cripple the economy. I think we can do that.

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

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

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

Let me just say this in closing. Every day I try to imagine what I hope the country will be like 30 years from now. And

if that guides a President and you work back from there, you'll be amazed how much easier that makes the decision-making process. And when I think of the young people that are here tonight, all these fine young people that are working for the Democratic Party and did all the work to make this possible tonight -- what will determine what kind of America they live in?

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

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

Thank you and God bless you. (Applause.)

END

8:57 P.M. EDT

Message Sent To: _____

Peter R. Orszag 08/10/97 04:44:44 PM

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To: Jeffrey A. Frankel/CEA/EOP

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----- Forwarded by Peter R. Orszag/OPD/EOP on 08/10/97 04:52 PM -----



Russell W. Horwitz

08/10/97 04:40:32 PM



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See POTUS comments on entitlements about 3/4's through the speech.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 7, 1997

REMARKS BY THE PRESIDENT
TO THE DEMOCRATIC BUSINESS COUNCIL

The Mayflower Hotel
Washington,
D.C.

8:35 P.M. EDT

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

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

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

I thought to do that it would be necessary to save progressive government and to save the progressive political party, to be vital forces as a part of that future. I thought it was necessary to break through a lot of these dichotomies that seem to me to be false -- that you were either for growing the economy or preserving the environment -- if you have to choose we're in trouble. That you couldn't be pro-business and pro-labor -- if you have to choose, I think in the end the country loses. That you couldn't be tough on crime where it was appropriate and still be smart and compassionate where it made sense and where it was the right thing to do. That you couldn't be for respecting our diversity and still believe the most important thing is that we wind up being one America. I just think a lot of these dichotomies that have always been set up for us to argue about and take sides over are choices that we would never make in our own lives, and that we should not make in the life of our nation.

And you heard Tom talking about a little of it and Roy talking about a little of it. It seemed to me that the right thing to do for our country also in the end would wind up being the right thing to do for the progressive cause in America and for the

Democratic Party, the progressive party in America. We almost had to save ourselves from a legacy in some ways that was not entirely of the Democrats own making. It was obvious to me that if we didn't do something about the deficit there would be no more progressives in America because the middle class would always be completely insecure.

We had a meeting today at the White House and my distinguished Treasury Secretary from New York City, Mr. Rubin, was making a comment about how people viewed a certain economic

situation. And Erskine Bowles said -- did I say North Carolina? I meant New York. Erskine Bowles is from North Carolina. So Erskine Bowles says, "Mr. President, tell Bob that that's like the farmer from Louisiana with three hogs." And Bob Rubin doesn't know many farmers from Louisiana. (Laughter.)

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

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

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

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

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

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

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

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

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

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

country is stronger, more secure, and is helping to build the world of the 21st century in the aftermath of the Cold War. And I feel good about that.

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

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

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

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

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

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

multiracial, multiethnic democracy.

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

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

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

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

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

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

I'm going to Latin America in the fall. About a year after I took office, we had this great Summit of the Americas. And all the countries in the Americas said, we want to have a free trade

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

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

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

We're going to try to pass the juvenile justice bill, modeled on what has happened in a number of cities, but especially in Boston where -- this may surprise you if you don't live in Boston -- it has been almost two full years since a single child has lost his or her life to a handgun. Almost two full years. And, again, it's not rocket science. They have good community policing. They have good neighborhood block watch groups. The neighbors and the police work together. The police and the probation officers work together. They make house calls in Boston, just like doctors used to. The kids in trouble, they go to the child's home and they sit on the couch in the living room and they talk to the parents.

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

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

Draft 9/30/97 4:30pm

PRESIDENT WILLIAM J. CLINTON '97 SEP 30 PM 4:39
REMARKS ON CLIMATE CHANGE TO WEATHER FORECASTERS
THE WHITE HOUSE
October 1, 1997

Acknowledgments: VP Gore, EPA Administrator Browner.

And I want to thank all of you weathercasters for coming today. As you well know, people tune into the local news for your weather reports more than any other reason. *[Inside joke: Of course, it may not feel that way when your producer is cutting another 15 seconds out of your weather show. But...]* The public relies heavily on your expertise -- and not only to figure out whether they'll need to put on a coat when they go to work the next morning. The fact is, your reports save lives. This vast country, for all its natural blessings, has some of the most severe weather and natural disasters of any country in the world. And you're the men and women America trusts to deliver timely warnings and advice. You are engaged in a very important form of public service, and we are indebted to you.

I'd also like to salute the men and women of NOAA and the National Weather Service who are here today. You and your impressive technologies are, among other things, the first lines of defense against nature's fury. In the past decade alone, you've doubled the amount of warning time we have to prepare for tornados, and quadrupled the warning time for flash floods. You also deserve praise for the highly successful public-private partnership you have fostered with broadcast weathercasters. It's a wonderful model for the nation.

I have spent most of my time over the past four and a half years trying to prepare America for the challenges and opportunities of a new century and a new millennium. Climate change is, quite simply, one of the most important challenges we face. I believe that if we fail to address it head-on, we will fail our deepest obligations to our children.

There are four principles that have guided me in preparing my response to the challenge of global climate change. First, I am convinced that the science is real. We certainly don't know everything, and more research is needed. But what we already know is enough to warrant responsible action.

When you weathercasters look at the Doppler radar screen and see an advancing mass of dark red echoes, you know it's going to rain. You may not know precisely how much or for how long, but you know it would be a mistake not to advise your viewers to carry their umbrellas.

That's the way I feel about global climate change. The overwhelming majority of the world's climate scientists have concluded that if we don't cut our emissions of greenhouse gases, sooner or later we will disrupt the global climate. They can't know precisely how bad the effects of global climate change could be -- how high the seas might rise or how much more severe our droughts and floods could become. But given what they do know, it would be wrong for us to put our heads in the sand and ignore this issue.

The second principle is that when the nations of the world meet this December in Kyoto, Japan, the United States must be prepared to commit to realistic and binding limits on our emissions of greenhouse gases. With 4% of the world's population, we produce more than 20% of its greenhouse gases. I believe we must cut back. The world is looking to us for leadership.

The third principle is that we must embrace solutions that will allow us to continue to grow our economy at the same time we honor our global responsibilities. I have worked far too hard to revitalize the American economy to jeopardize our progress now. The plan that we will bring to Kyoto ~~will emphasize flexible, market-based approaches.~~ It will also embrace new technologies. Let me give you an example. Typically, about two-thirds of the energy produced by power plants is lost in the form of the heat billowing out of a smokestack. But a company called Trigen [TRI-jenn] has found a way to more than double the efficiency of power plants in Philadelphia, Chicago, and Tulsa by capturing excess heat and turning it into steam to warm office buildings. It's a wonderfully simple and elegant solution. It represents the kind of American ingenuity that will make our job much easier.

Finally, I believe that we must ask all nations, both industrialized and developing, to participate in this process. It is wonderful that so many countries in so many parts of the world are developing so rapidly. But as we have seen here in America, economic development increases energy demand and greenhouse gas emissions. In fact, emissions from the developing world will likely eclipse those from the developed world by 2035. So the developed world cannot take on this responsibility alone. In Kyoto, we will ask for meaningful, equitable commitments from all nations.

[On Monday, we hope to take an important step forward in our efforts to put these general principles I've spoken of today into one sensible policy. We have invited noted economists and leaders from industry, state and local governments, and the environmental and scientific communities to participate in the White House Conference on Climate Change. Our goals are simple: We want to help the American people understand the importance of the challenge, and to allow outside experts to help inform the policy process to the greatest extent possible.]

Many of the challenges this nation has faced in the past were clear and present dangers. Global climate change is more of a looming threat: We see storm clouds approaching on the horizon, but most Americans in their day-to-day lives can't yet feel the rain. And that makes the work of educating the public that much more difficult. But we are deeply committed to putting the evidence before the American people. We are deeply committed to building consensus to do the right thing for our future.

Thank you very much for being here today. Thank you for your leadership in your communities. And thank you for your interest in this very important subject.

Handwritten signatures and initials at top right of page.

From: Melissa Green on 09/17/97 09:53:21 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Climate Change POTUS Meeting

Please attend a climate change meeting with the president tomorrow 9/18 at 3:00pm in the Oval Office. The meeting will begin at 3:00pm and last for forty-five minutes. Only these people should attend:

— The Vice President

Erskine Bowles

Gene Sperling

Dan Tarullo

John Podesta

— Katie McGinty

Jim Steinberg

Todd Stern

Janet Yellen

Stuart Eizenstat

— Ron Klain

— Leon Fuerth

John Hilley

Thanks

*L.S. in Hong Kong
mtg. had originally been
scheduled for a.m.
Tues 9/16.
cancelled.*

Message Sent To:

Heather M. Marabeti/OVP @ OVP
Paul J. Cusack/OVP @ OVP
Jason S. Goldberg/WHO/EOP
Demond T. Martin/WHO/EOP
Carole A. Parmelee/WHO/EOP
Sara M. Latham/WHO/EOP
Kristen E. Panerali/OPD/EOP
Robert S. Kapla/CEQ/EOP
Kate @ 456-9490 @ Fax
Jonathan H. Adashek/WHO/EOP
Sandra F. Daigle/CEA/EOP
Debbie B Bengtson/OVP @ OVP
Elizabeth Harrington/OVP @ OVP
Ann2456-9500 @ Fax
Virginia N. Rustique/WHO/EOP

9/18/17
JY... Mtg. with POTW

Phase out subsidies on oil & coal.
Break down where emissions are coming from.
Wouldn't rule out tax reform. Rev.-neutral
Liked 2-step on LDC
seemed to like escape clause

They want Allocated permits

cc: JAF

Rec'd

10:30am
9-15-97

THE WHITE HOUSE
WASHINGTON

September 15, 1997

To: Jim Steinberg
Gene Sperling
Katie McGinty
John Podesta 314
Janet Yellen
Dan Tarullo
Jack Gibbons

The attached is forwarded for your
information.

Todd Stern

'97 SEP 14 PH7:01

THE WHITE HOUSE
WASHINGTON

September 14, 1997

Meeting with Environmental Leaders on Climate Change

DATE: September 15, 1997
LOCATION: Cabinet Room
TIME: 12:45 - 1:30 p.m.
FROM: Todd Stern & Katie McGinty

I. PURPOSE

To discuss climate change with leaders of the dozen major environmental organizations most engaged on the issue.

Meeting objectives: (1) To give the leaders of the environmental community an opportunity to talk to you directly about their views on climate change; (2) to demonstrate your personal engagement on the issue; (3) to make clear that you are committed to achieving a solid agreement in Kyoto and that you recognize Kyoto to be only the first step on the path toward solving the long-term problem; (4) to make clear your belief that the plan we put forward must both make a serious start on addressing the environmental problem while also being economically and politically realistic. (The truth is that negotiating a treaty that ends up rejected by the Senate would set the cause of climate change back much more than failing to reach a final agreement in Kyoto.)

II. BACKGROUND

This is your first meeting with the nation's environmental leadership since November 1995. The environmental community is very concerned about climate change, and a number of these leaders see the issue as their highest priority. Unlike the corporate CEOs you met with in August, they are likely to have coordinated their approach to you, and, even though there are real differences in how they see this issue (see attached rundown of the groups), they will speak with a fairly unified voice.

In general, they come at this issue from a perspective that is quite far away from even the moderate voices in big business, such as BP's John Browne. For example, on the issue of most importance to them -- the target and timetable -- these groups favor a very aggressive approach: 1990 levels by 2005. It is doubtful that even a target of 1990 by 2010 would garner much if any support from business.

It is imperative that you avoid making or implying any commitments to a specific target or timetable, even though these leaders may try to push you. As you will hear when you meet

Tuesday with a few of your advisors on this issue, the economic costs of a 1990/2010 target are very significant.

While members of this group hold different views about acceptable implementation mechanisms, you are likely to hear some support for flexible, market-based policies, such as emissions trading or so-called "joint implementation", though the Sierra Club, in particular, remains opposed to these tools.

You should also know that the group may argue that the politics favor tough action. They may share with you a poll that the World Wildlife Fund plans to release later this month, though WWF is concerned that it not leak yet. The poll indicates that people are concerned about climate change and especially about some of the impacts it might have; at the same time it suggests that people are not very enthused about many of the proposed solutions. (Poll attached)

Note: as you are probably aware, a coalition of industry groups launched an ad campaign on September 9, with the first ad attacking the notion that we would sign a treaty that "exempts" the developing countries of the world.

Topics of Discussion: We have attached suggested questions in order to get the dialogue going on several topics. The conversation is likely to be free flowing, but we recommend proceeding in roughly the following way:

General views: You should begin by making brief opening comments that articulate the principles that guide your approach to climate change (attached). You should start the discussion by turning to Gene Karpinski, Chair of the group. He will likely make some introductory remarks and then turn to Bud Ris from the Union of Concerned Scientists (the only scientist among the group) for his comments on the importance of this issue to the environmental community.

Targets and timetables: As noted, the group supports the EU's position on stringent early reductions and will call for a 2005 target. EDF's Fred Krupp is likely to take the lead on this issue. It would be appropriate to press them on what they see as the long-term differences environmentally of an aggressive early target (like 1990 in 2005 or 2010) as compared with a more gradual target (like 1990 in 2020) --in light of the potentially significantly greater economic costs of setting an early date. You might let Larry Summers pursue this a bit. We have talked to him, and he is ready to do this.

International issues: The toughest issue here concerns the way to handle developing countries. In a nutshell, the current negotiations are proceeding on the basis that developed countries must accept binding targets and timetables, but that developing countries do not need to do that. The Byrd Resolution, which passed 95-0 in July, in effect dismisses that approach and articulates the sense of the Senate that the U.S. should not sign any treaty in Kyoto *unless* the developing countries take on new commitments of their own (though those commitments could be different than developed country commitments). Both because it makes substantive, environmental sense and because of the clear message sent by the Senate, State has been

developing some new ideas of how to demand more from developing countries in a manner that doesn't derail the Kyoto negotiations. We have let people know -- in the business and environmental communities and on the Hill -- that we are working on some new developing country ideas, but have not shared anything yet.

Domestic policies: These are the domestic means -- such as emissions trading and technology -- for achieving whatever reductions we agree to. These groups have different ideas about acceptable measures. Some support domestic emissions trading, some a carbon tax of some kind, others an increase in CAFE standards for auto fuel efficiency. All tend to have an optimistic view about the speed at which new technologies can be developed and put in place, and this largely accounts for their lower estimates of the economic costs. Furthermore, they may suggest that past economic assessments of the costs of proposed environmental regulations are usually exaggerated because they fail sufficiently to account for the technological innovations that result from strong regulatory measures.

III. PARTICIPANTS

Pre-brief Participants:

Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, Jack Gibbons, Larry Summers, Carol Browner, Bruce Babbitt.

Meeting Participants:

Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, Jack Gibbons, Larry Summers, Carol Browner, Bruce Babbitt.

John Adams	Natural Resource Defense Council
Deb Callahan	League of Conservation Voters
Phil Clapp	Environmental Information Center
Kathryn Fuller	World Wildlife Fund
Paul Gorman	National Religious Partnership for the Environment
Paul Hansen	Izaak Walton League
Gene Karpinski	U.S. Public Interest Research Group
Fred Krupp	Environmental Defense Fund
Jonathan Lash	World Resources Institute
Robert Musil	Physicians for Social Responsibility
Carl Pope	Sierra Club
Howard (Bud) Ris	Union of Concerned Scientists
Mark VanPutten	National Wildlife Federation

IV. PRESS PLAN

Closed Press

V. SEQUENCE OF EVENTS

- You and the Vice President enter the Cabinet Room.
- You make brief opening comments and lead discussion.
- You and the Vice President depart.

VI. REMARKS

Attached

'97 SEP 14 PM6:55

**Presidential Opening Remarks
Green Group Meeting on Climate Change
September 15, 1997**

Thank you all very much for coming.

Let me just say a couple of words before we begin what I hope will be a very productive discussion.

First, let me be clear that I am committed to addressing the climate change problem. Thanks to the Vice President and others, I am convinced of the science and of the need to act.

Second, I want you to know I am committed to getting an agreement in Kyoto that will work -- one that includes realistic and achievable binding targets, flexible implementation mechanisms, and solid commitments from developing countries. I will tell you right now that from the United States point of view, each of these three elements is vital.

Third, I am committed to engaging the American people on this issue and to developing public support for doing something about it. I can tell you that I do not believe that support is there yet, and without it we cannot move forward. I know you all are doing a great deal on this front, and I urge you to continue.

For our part, my cabinet will be participating in twenty or more events on climate change in the next few weeks. In fact, Secretaries Daley and Pena are in Pittsburgh as we speak doing a climate change event there, and Secretary Babbitt is leaving

Friday for a university tour, focused on the climate issue. In several weeks, we hope to bring in weather forecasters from across the country for a series of briefings here, and then on October 6 we will have the White House Conference on Climate Change.

Fourth and finally, let's remember that we cannot solve climate change in Kyoto. If there ever was a long-term problem, this is it. Our goal must be to take a meaningful step in the right direction, one that puts us squarely on a path toward stabilizing atmospheric concentrations of greenhouse gases at a safe level. If we overreach and end up with an agreement that has insufficient domestic support, we risk setting the cause back rather than moving it forward. Likewise, we cannot merely kick the can down the road and leave this problem for the next generation.

I hope you will help me try to strike the right balance.

Discussion Points for Climate Change Meeting with Environmental Leaders

Welcome

- Thank you all for coming. (make brief statement of climate change principles --attached). [Mr. President, you should recognize the Vice President, who may also want to say a few words. Also if you recognize Secretary Babbitt and Administrator Browner, you may want to note that Secretaries Daley and Pena wanted to attend but had commitments to another *climate change* event in Pittsburgh.]

General Views [Recommend turning to Gene Karpinski, Chair of the Green Group.]

- You've just heard a little about the principles that guide my approach to this issue. But I'm most interested in hearing from you. Gene, how do you see this issue right now, what do you think about our general approach? [Karpinski will likely make a few opening comments, then turn to Bud Ris, UCS, who will underscore the significance of the issue to the environmental community.]

Binding Targets and Timetables

- As you know, the European Union has called for a 15% reduction from 1990 levels by the year 2010. I have to be honest in saying that we don't think that's realistic. I know you all support an early date for binding limits, and I'd like to hear your views on the subject. [Fred Krupp, Environmental Defense Fund, likely to respond with strong push for a 2005 target]

[Mr. President, you may want to allow Larry Summers to follow up a bit here. It is critical for this group to explain the environmental rationale for early and stringent reductions, given that the economic costs of such measures are likely to be substantially greater than those from a more gradual approach.]

International Measures

- Whatever the specific level, I understand the importance of binding targets for developed countries. But in reality that is only one piece of a larger agreement. We feel strongly that meaningful targets can only be met in an economically responsible manner if sufficient flexibility is provided. Furthermore, for any agreement to be environmentally justifiable, not to mention equitable, and result in a ratified treaty there must be meaningful developing country obligations. Will you help us work with other nations to build support for these flexible measures, and what do you think are appropriate commitments for developing countries?

We understand that despite some disparate views this group may be willing to express some

vague support for flexible measures. On developing countries, they will agree that participation is needed but will argue that we not push so hard as to endanger the Kyoto negotiations.

Domestic Policies -- Technology

- As we look to develop targets and timetables, we must consider a range of domestic implementation mechanisms for ensuring that such targets are met. Obviously, technology will play a vital role. What are your thoughts on how the Federal government can best spur technological innovation, and where do you see the best promise for developing clean energy options?

Domestic Policies -- Emissions Trading & Other Ideas

- Another area we are examining closely is domestic emissions trading. I understand that we have used a domestic trading scheme very effectively in addressing the problem of acid rain. Do you think there are useful parallels to draw here and how about an emissions trading regime for carbon dioxide? [Fred Krupp at EDF is the major proponent of domestic trading]
- Are there other ideas you have for concrete steps we can take in the near term to begin reducing emissions domestically? [John Adams may suggest using the utility restructuring legislation as a vehicle to achieve reductions.]

Outreach -- Asking for help

- Regardless of any differences we may have about specific policy choices, I think we *can* agree on the need to make this a serious issue with the American people. As I have mentioned, I and my Cabinet are fully engaged in this effort. I feel the White House Conference in October will also be a great help in this regard. But let me reiterate that we need your help. I know you don't have the financial resources of those who launched the multi-million dollar ad campaign last week. But your success in bringing the clean air issue home to people across the country speaks to your ability to get the message out.
- Knowing what a priority this issue is for this community, what, specifically, are you doing to educate the American people? [Suggest turning to Carl Pope and/or John Adams. Both would like to share with you the outreach they've been doing].
- It strikes me that the outdoor recreation community has a role to play as well. [Suggest turning to Paul Hansen. He can highlight the work the outdoor recreation community has been doing - you should encourage them to be more vocal.]

- The Vice President has mentioned to me that the religious community is also concerned about climate change. I'd be interested in to know how you deliver a message about global warming and what resonates with people. [You should turn to Paul Gorman of the National Religious Partnership for the Environment. He will share with you the efforts of the religious community.]

Conclusion

- I want to thank you all again for joining me today. This is certainly a tough issue, but one we all agree is extremely important.
- We must unite in our commitment to bring this issue to the American people -- to convince them that this is the time for action.
- I also want to reiterate my strong hopes of reaching an agreement in Kyoto. But let me be clear: we will not sign an agreement if it isn't the *right* agreement. It must include realistic and achievable binding targets, flexible implementation mechanisms, and commitments from developing countries, and it must be a treaty that is politically viable domestically.

BACKGROUND ON KEY CLIMATE PLAYERS

Following is a background paper on the key players who will be attending today's climate change meeting. This group is a subset of the "Green Group," a coalition of thirty of the leading national environmental organizations. Though all of the environmental leaders you will meet with today have an interest in climate change, there are divergent views between them. We have tried to summarize the key differences, moving roughly speaking, from right to left.

Environmental Defense Fund (Fred Krupp)

EDF is the most business-oriented and market-friendly of the green groups. They have been consistent advocates for the flexibility measures we support, such as emissions trading and joint implementation. They were very involved in helping to set up the domestic emissions trading system for sulfur dioxide (acid rain), which is widely regarded as a success story. EDF also has solid scientific credentials. Dr. Michael Oppenheimer, who works in their New York office, has been one of the leading scientific voices on this issue for years and accompanied the Vice President to Glacier National Park several weeks ago. EDF is one of the groups whose support will be critical if our ultimate climate change policy is to have environmental credibility. They are well respected by the national environmental media and have solid relations with key components of the business community. Fred Krupp has been EDF's CEO for over a decade and is very knowledgeable on the climate change issue.

World Resources Institute (Jonathan Lash)

WRI is the closest thing the environmental community has to a think tank. They are highly regarded as a source of information on global environmental trends, from forest destruction to air pollution. Climate change has been a central issue for WRI for years. Most recently, they produced a highly useful report summarizing the economic literature on climate change and suggesting that, given the right flexibility measures, significant emissions reductions could be achieved at little or no cost to the economy. Bob Repetto, the economist who co-authored the report, is one of the most credible voices arguing that tackling climate change makes solid economic sense if done properly. WRI also has a very good feel for the developing country side of the climate equation, both in terms of what such countries *must* do environmentally and *can* do realistically. Jonathan Lash is the Co-Chair of your Council on Sustainable Development and is also quite knowledgeable on the climate issue. WRI is another of the groups that might support a more middle ground U.S. position.

Natural Resources Defense Council (John Adams)

NRDC was started almost thirty years ago (by three Yale Law School graduates) as essentially the legal arm of the environmental community. They were instrumental in the passage of landmark environmental legislation such as the Clean Air Act. Their interest in climate change also goes way back. Senior scientist Dan Lashof is another one of the leading scientific experts on the issue from the environmental community and recently authored an

excellent Washington Post Op-Ed on the subject. He also joined the Vice President at Glacier. NRDC historically has been the leading proponent of a carbon or energy tax of some type to address this issue. However, after the unsuccessful effort to impose a BTU tax, they have backed off the tax issue and have indicated a greater degree of support for concepts like emissions trading. They are also advocates for using the utility restructuring legislation to achieve carbon limitation objectives. A last point is that they are optimistic about technology. They would argue that over the past 30 years, successful environmental legislation has driven technological innovation at a rate faster, and at a cost cheaper, than what economists predicted. John Adams, the senior member of the Green Group and it's past chair, has led NRDC since its inception.

World Wildlife Fund (Kathryn Fuller)

WWF is a very large, mainstream environmental organization, known for its focus on protecting endangered species and habitats. They have taken an increasingly large interest in climate change in recent years. In July, WWF released a report detailing the potential impact of climate change on U.S. national parks and protected areas. The report received some press attention and covers an area of the climate debate that has not been focused on much in the past. WWF has also commissioned a poll on climate change (they may reference this in the meeting) which shows public concern for the climate issue and a willingness to support corrective policies even if they are expensive. The poll also indicates, however, that people do not feel the issue is urgent. Kathryn Fuller has led the WWF for nearly a decade.

League of Conservation Voters (Deb Callahan)

The League of Conservation Voters is the bipartisan, political arm of the national environmental community. They endorse and work for and against candidates. LCV's sole mission is to gain grassroots support on behalf of national and state election candidates with strong environmental records. The LCV also publishes the *National Environmental Scorecard* which rates Congress on their environmental voting record and is seen as the definitive word on the environmental performance of every member in the House and Senate. In addition, they also put out a report card on the Administration -- climate will likely be one of the key items on which we will be graded.

Environmental Information Center (Phil Clapp)

EIC, established in 1995, was created with a mission to run public education campaigns to inform the American public about legislation in Congress that would compromise their health, safety, environment, and quality of life. EIC, with a large budget funded mostly from foundations (Pew Charitable Trusts), has been extremely effective in organizing grassroots support and using paid media to reach millions of Americans. Most recently, EIC has been hosting regional town meetings across the country on climate change and has been effective in galvanizing grassroots support on the issue. Phil Clapp, the founder and President, has been very vocal on a variety of issues these past two years - including the recent clean air standards. During the proposed clean air standards debate, Phil was quoted in a front page

story of the *New York Times* questioning the Vice President's commitment to these issues, which was unfortunate.

Sierra Club (Carl Pope)

The Sierra Club is the grassroots arm of the environmental movement. They also endorse and work on behalf of candidates. They have local, state, and regional chapters which can be quite effective in advocating for key environmental issues. Last year, the Club elected 24-year-old Adam Werbach as their Board President, and he has been successful in tapping in to the youth sector. On climate change, the Club has taken a hard line position in support of stringent binding targets. Furthermore, they have actively opposed the flexibility measures that we believe are critical to achieving emissions reductions cost effectively (i.e. emissions trading and, particularly, joint implementation). They believe these proposals are unworkable and afford too many loopholes to ensure real environmental gains (though they are unlikely to be negative on these issues in the meeting so as to preserve the appearance of unity). They instead have favored initiatives such as raising CAFE standards for auto efficiency. Carl Pope the club's executive director, like John Adams and Fred Krupp, is seen as one of the leading environmental voices in the country and was a very visible and effective spokesman during the clean air debate.

The descriptions below are in no particular order.

The Izaak Walton League of America (Paul Hansen)

Founded in 1922, the IWL is a national conservation organization whose 50,000 members nationwide protect and enjoy America's soil, air, woods, waters, and wildlife. (These are the hunters and fishermen.) The Ikes have a unique role to play in educating and mobilizing the recreation community on this issue.

The National Wildlife Federation (Mark Van Putten)

The mission of NWF is to educate and assist individuals and organizations to conserve wildlife and our natural resources. Founded in 1936, NWF has more than 4 million members and supporters.

Physicians for Social Responsibility (Robert Musil)

Founded in 1961, PSR is a national organization of over 20,000 health professionals and supporters working to promote arms control and international cooperation, reduce societal violence and its causes, and protect the environment worldwide. PSR should be encouraged to mobilize the health care community on the health impacts associated with climate change.

Union of Concerned Scientists (Howard "Bud" Ris)

UCS is dedicated to advancing responsible public policies in areas where science and technology play a critical role. Climate change is currently one of their greatest concerns and they are working to encourage responsible stewardship of the global environment, promote energy technologies that are renewable, safe, and cost effective, reform transportation policy, and promote sustainable agriculture. UCS conducts technical studies and public education campaigns and seeks to influence government policy at the local, state, federal, and international levels.

U.S. Public Interest Research Group (Gene Karpinski)

U.S. PIRG is the national lobbying office for state PIRGs around the country, representing nearly one million members. Each state PIRG sets their own agenda, but the work they do focuses primarily on environmental protection, hazardous waste cleanup and prevention, safe energy, consumer protection and open government. PIRG should also be encouraged to play a strong role in educating the American people on climate change. Gene Karpinski, in addition to serving as PIRG's executive director, is currently the chair of the Green Group.

The National Religious Partnership for the Environment (Paul Gorman)

The NRPE is a coalition of major American faith groups and affiliated agencies. The alliance consists of the U.S. Catholic Conference, the Evangelical Environmental Network, the Coalition on the Environment and Jewish life, and the National Council of Churches of Christ. The mission for the NRPE is to integrate issues of environmental sustainability and justice permanently across all areas of organized religious life.

Background on Issues

INTERNATIONAL NEGOTIATIONS

The Framework Convention on Climate Change was signed at the Rio "Earth Summit" in 1992.

The current round of negotiations is scheduled to conclude in Kyoto this December. To date, the United States has advanced a three-part framework for the negotiations. We have argued for (1) binding emissions targets, (2) flexibility in achieving those targets (for example, through emissions trading among developed nations and "joint implementation" with developing nations), and (3) the participation of all countries. We have not yet proposed any specific targets or timetables. A relatively low-level negotiating session has been going on this week in Bonn and will continue next week.

Targets and Timetables

The European Union has proposed that developed nations cut back emissions 10-15% from 1990 levels by 2010. We have stated publicly that we believe this proposal is unrealistic. Other nations, including Australia, Japan and Canada, have expressed concerns about moving too far too fast, but have not put forward any specific targets. Several countries (including Australia, Japan and Norway) have supported "differentiated" targets, under which different developed countries would take on different obligations. The United States has opposed these proposals as unworkable.

Flexibility

The term "flexibility" has been used to refer to international emissions trading, joint implementation, banking and borrowing (applying extra-emissions reductions from one period in another period) and multi-year targets (setting emissions targets for periods of two or more years, such as 2010-2020). Such policies can substantially reduce costs of compliance.

Our proposal for emissions trading among all developed countries has met with only limited support. However, the EU has proposed that its members be allowed to trade emissions among themselves (the "EU bubble"). We have insisted that all countries that all developed countries be allowed to trade emissions.

Closely related to international emissions trading is "joint implementation." In a typical case, a company in the developed world would invest in a renewable energy, energy efficiency or forestry project in a developing nation. Emissions avoided as a result of this investment could be applied to that company's obligations at home. Since emissions reductions are typically much cheaper in the developing world than they are in the developed world, significant efficiencies could result. Developing countries would gain benefits in the form of technology transfer and private sector

investment flows as well.

In spite of the potential benefits, most developed countries remain opposed to joint implementation (although support has grown significantly in Latin America). Many of these countries see joint implementation as a way for developed countries to avoid taking responsibility for reducing greenhouse gas emissions. In addition, some environmentalists are concerned that measuring project-based emissions reductions will be too difficult, and some in Congress are concerned that joint implementation will result in significant transfers of wealth overseas.

The U.S. business community has strongly supported joint implementation. Utilities have been among the most active participants in pilot projects to explore the feasibility of joint implementation.

Developing Country Commitments

This is the most difficult issue in the current round of negotiations. There is a vast gulf between the dialogue abroad (where the U.S. proposals for developing country participation are almost uniformly considered too aggressive) and at home (where Senator Byrd's resolution, calling for commitments beyond the U.S. proposal or the 1995 Berlin Mandate under which this treaty is being negotiated, passed the Senate recently 95-0).

Developed countries are responsible for more than 75% of the increase in greenhouse gas concentrations since the beginning of the Industrial Revolution. In the decades ahead, however, emissions from developing countries are expected to grow sharply. By 2035, developing country emissions are expected to exceed those from the developing world.

Per capita emissions vary widely. Carbon emissions from the United States are roughly 5 tons per person; from the OECD as a whole, roughly 3.5 tons per person; and from developing countries as a whole, roughly 0.5 tons per person.

The 1992 climate treaty established differentiated levels of commitments for developed and developing countries. It called upon developed countries to take the lead in addressing climate change and to aim to return emissions to 1990 levels by the year 2000. It called upon developing countries to adopt policies and measures to address climate change, but provided no aim for developing countries similar to the year 2000 goal. These differentiated commitments were intended to recognize both the unequal contribution of developed and developing countries to global greenhouse gas concentrations and the unequal capacity of those countries to control emissions.

In 1995, in Berlin, the Parties to the climate treaty agreed to negotiate further steps for controlling greenhouse gas emissions. The negotiating mandate calls on developed countries to set quantified emissions limits for the "medium term (e.g. 2005, 2010 and 2020)." In Berlin, the United States argued strongly that developing countries must participate meaningfully in negotiations over next

steps. There was little support for the U.S. position on this point, with many Parties noting the failure of most developed countries to take significant steps toward meeting the year 2000 goal. The Berlin Mandate states that there will be "no new commitments" for developing countries in the current round of negotiation, but that developing countries will be required to "advance the implementation of" their existing (non-binding) commitments.

In January, 1997, the U.S. submitted a draft protocol proposal. Provisions on developing countries included three elements, the most important of which is the "evolution" concept, which would require developing countries to enter into an agreement by 2005 to adopt legally binding emissions targets and would include a "graduation mechanism" under which developing countries would automatically incur obligations as their living standards increase.

DOMESTIC POLICIES

Your Cabinet and staff are currently in the process of shaping domestic policies options to address greenhouse gas emissions. Among the options receiving close attention are domestic emissions trading and technology programs.

Domestic Emissions Trading Programs

Under emissions trading programs (sometimes referred to as "cap and trade"), companies would be allowed to buy and sell the right to emit greenhouse gases. The US has had more experience with emissions trading than any other country. Examples include the Clean Air Act's acid rain program, under which utilities are allocated permits based on historical emissions of sulphur dioxide. Permits may be traded. Compliance costs under this program have been much less than expected, due to unforeseen factors. (Prior to passage, industry estimated compliance costs would be over \$1,000/ton. Government studies estimated costs would be around \$600/ton. Currently, allowances are trading on the Chicago Board of trade for around \$100/ton).

Among the issues to be addressed in designing a domestic emissions trading program:

- Where the constraint is imposed. A "primary fuel" trading program would limit the production or import of fossil fuels. A "sectoral" trading program would limit emissions from one or more key sectors (e.g., utilities, transport or heavy manufacturing).
- How permits are distributed. For example, permits could be parceled out to emitters based on historical emissions, auctioned, or some combination of the two. If auctioned, substantial revenues would be raised which, for example, could be recycled through a consumer and/or business tax cut, or used for transitional or technology programs).

An emissions trading program for greenhouse gases could potentially be bigger in scope (by an order of magnitude) than any existing emissions trading program. We are currently exploring

feasibility and implications.

Technology Programs

The cost of reducing greenhouse gas emissions between now and 2020 depends greatly on the ability to accelerate use of existing energy-efficient technologies. Over the longer-term, the solution to the climate change problem depends on developing and deploying new technologies that are even more efficient or are based on non-carbon energy sources.

A range of government programs might help accelerate technological change. Research and development programs generally aim to improve technologies by lowering production and operating costs. Large opportunities for cost-lowering research and development exist in buildings, transportation, combustion, renewables and sequestration (e.g., fuel cells, advanced industrial turbines, advanced diesel engines, and transportation biofuels). In addition, information dissemination programs assist businesses and consumers in identifying opportunities to reduce the energy intensity of their products or services (e.g., using more energy efficient light bulbs, insulation, appliances, etc.).

You have strongly supported technology programs with significant climate change benefits. Examples include:

Partnership for a New Generation Vehicle (PNGV)

The PNGV program joins the big three U.S. auto makers, federal agencies and many suppliers of materials and equipment in an effort to develop a more efficient car. The program's goal is to triple the fuel efficiency of passenger cars with no decrease in comfort or safety.

The Climate Change Action Plan (CCAP)

CCAP began in 1993 with a goal of returning total US greenhouse gas emissions to their 1990 levels by the year 2000. The plan includes about 50 initiatives covering all major greenhouse gas producing sectors of the US economy, including Energy Demand, Energy Supply, and Forestry. CCAP programs have reduced the rate of emissions growth, but not enough to achieve the programs goals. CCAP is a voluntary program that relies on partnerships and cooperation with industry and includes both government and private sector investment in new low-emissions, high-efficiency technologies. Agency participants include DOE, EPA, and USDA.

Biomass Energy Initiative

DOE and USDA are working with companies to demonstrate power projects for rural development and to improve technologies for converting crops to liquid and gaseous fuels. Pilot projects are running in New York, Minnesota and Iowa.

Million Solar Roofs Initiative

In your recent UN speech, you announced that DOE will lead an effort to place one million solar energy systems on the roofs of buildings and homes across the US by the year 2010. This will be accomplished by using existing federal grants, procurement, and other programs, and by working with local communities, businesses, state governments, utilities, and other groups to spur the sales of solar energy systems. In 2010, this initiative will avert emissions of carbon dioxide equivalent to those produced by 850,000 cars and will produce the same electrical generating capacity as 3-5 coal-fired power plants.

PCAST Energy R&D Panel

In response to your request, the President's Council of Advisors on Science and Technology is conducting a comprehensive and strategic review of U.S. energy R&D policies and practices "to ensure the United States has a program that addresses its energy and environmental needs for the next century". The group is examining energy efficiency, fossil, nuclear (fission and fusion), and renewable energy programs and budgets across the Federal government. Their assessment, including recommended actions, is expected by October.

Partnership for Advancing Technologies in Housing (PATH)

Our planned PATH initiative will have HUD, DOE, and NIST working with building suppliers, assemblers, insurance companies, and state and local regulators in an effort improve the quality of housing and meet ambitious environmental goals without increasing prices. Buildings are responsible for about a third of US greenhouse gas emissions (this total is rising) and 2/3 of US electricity consumption.

DOE's Industries of the Future Program

This is an industry/government partnership with the seven most energy-intensive U.S. industries, including chemicals, paper and pulp, steel, aluminum and petroleum. The program has reached technology agreements with each industry that focus the R&D expertise of our national labs on cutting energy use and pollution in each industry.

White House retreats from forecast

Clinton greenhouse gases optimism met with derision

By Warren P. Strobel
THE WASHINGTON TIMES

Seeking to put out a minor firestorm, the White House yesterday backed away from an optimistic prediction by President Clinton that significantly reducing so-called greenhouse gases can be done cost-free and quickly.

Mr. Clinton's remark, which he made during a speech Tuesday at American University, comes as he is trying to build public support for an effort to reduce fossil fuel emissions, which are thought by many scientists to contribute to global warming.

The president's remarks brought hoots of derision from industry representatives, who oppose his campaign for specific targets for reducing emissions, saying they would significantly hurt the U.S. economy.

In the speech, Mr. Clinton said, "We could reduce [greenhouse gas emissions] 20 percent tomorrow with technology that is already available at no cost if we just changed the way we do things."

By yesterday, White House spokesmen were clarifying the

president's remarks.

They said he had not meant to suggest a new U.S. policy. Nor could they point to a specific academic citation that Mr. Clinton relied upon in making the statement.

"He was not suggesting that is a policy we could pursue. That is not at all realistic ... because of the amount of change that would be necessary in a short period of time," said Deputy White House Press Secretary Barry Toiv.

The United States has not yet signed on to a specific target for reducing greenhouse gases by the year 2010, the subject of an international summit in Kyoto, Japan, in December. The European Union is pressing for a commitment to reduce emissions to 15 percent below 1990 levels.

White House officials also acknowledged that there would indeed be costs associated with introducing new energy-efficient technologies. The savings would come over the long run, in "long-term costs," Mr. Toiv said.

Mr. Clinton made the remark in order to alert Americans that

changes in energy consumption will be necessary, the spokesman said.

"I'm afraid he's embarrassed himself," said Bill O'Keefe, chairman of the Global Climate Coalition, one of several dozen industry groups warning that the international climate change initiative would harm the U.S. economy.

"He ought to explain to the U.S. Congress and to the American people how that will be done ... and whether it can be done without the heavy hand" of government-mandated energy-use reductions, said Mr. O'Keefe, who is also an executive vice president of the American Petroleum Institute.

Richard Seibert, vice president for environmental policy at the National Association of Manufacturers, an industry group, said that, over time, new energy-saving technologies will become available and industry will phase them in.

But most of the cheap and simple steps already have been taken, Mr. Seibert said. "Most of the easy fruit at the bottom of the tree has been picked," he said.

The Washington Times

THURSDAY, SEPTEMBER 11, 1997

Q On climate change, the President said yesterday the U.S. could cut emissions 20 percent tomorrow at no cost, using available technology. Can you expand on that? Twenty percent by when, from what baseline?

MR. MCCURRY: I'm looking at that -- I can't. I just asked the President a short while ago, I said, do you recall specifically where you saw that. I thought it was in, perhaps, a book he read over the holidays. It was not. So Todd Stern, you should be alert to the fact that it was in something he thinks he read in a memo from somewhere in our government. I think I just put Todd on alert. He'd better get the answer.

Q Does this signal, perhaps, that he is going to shoot for that level of reduction?

MR. MCCURRY: No. It says -- he was making an observation, and I think this consistent with testimony that CAA Chairman Janet Yellen gave that there are things that we can sensibly do that will reduce greenhouse gas emissions that are less costly net term for our economy, and that you can achieve some significant reductions by doing things that have less cost associated with them. And I think the President -- obviously, we want to pursue sensible, common sense, cost-efficient ways of reducing greenhouse gases, as the President has said and as Chairman Yellen has said.

Q Is he still considering going to Kyoto for the signing of the treaty?

MR. MCCURRY: I have not heard that, and I think that right now we're working hard to see what kind of progress we can make just in negotiations themselves. The current level of representation, I believe, is the under secretary level over at State.

Q If the President thinks that U.S. can achieve that, though, at no cost, why not do it?

MR. MCCURRY: Oh, I think that the President does believe there are going to have to be changes in our economy that will reduce our dependency on fossil fuels and reduce other sources of greenhouse gas emissions, and that will be true over time and there are going to be ways to do it. But as Chairman Yellen has said, we've got to find smart ways of doing it.

Q The 20 percent reference wasn't in the text, that he adlibbed that part?

MR. MCCURRY: I don't think I saw it in the text.

Q Do you think it was a misstatement?

SPECIAL ANALYSIS

Is There a Free Lunch in the Refrigerator?

Economists are typically skeptical of the argument heard in energy policy debates that alternative energy-saving technologies are readily available at no extra cost to consumers. They recognize that people do not always take advantage of cost-effective, energy-efficient technologies that, in the long run, are good for both the pocketbook and the environment. At current energy and product prices, however, many consumers may not be willing to experiment with compact fluorescent light bulbs, improved thermal insulation, better heating and cooling systems, and energy-efficient appliances.

Consumer preferences. Although recent assessments of energy-savings opportunities based on engineering studies suggest that from 20 to 25 percent of existing greenhouse gas emissions could be eliminated at no additional costs, many people resist these new “green” technologies. Why? A reason is that people act as if they have a short time horizon, perhaps because they are uncertain about future energy prices and the reliability of the technology. Several studies have estimated that when consumers buy air conditioners, space-heaters, water-heaters, and refrigerators they implicitly apply a substantial discount to future cost-savings. Their time horizon appears to be much shorter than the time horizon reflected in market interest rates. Even when they are presented with estimates of the likely future cost savings, they pay more attention to immediate outlays.

Moreover, factors other than energy efficiency also matter to consumers. They care about quality and features, as well as the time and effort required to learn about a new technology and how it works. Consumers may perceive a risk that the energy savings will not be realized, and may be averse to such risks. Finally, even if a technology is cost-effective in its energy use on average, it may not be cost-effective for people who use little energy.

Environmental concerns. Why do we care whether people use energy-efficient technologies? A key reason is that the burning of coal and other fossil fuels results in environmental damage and global warming. Improved information about the benefits of buying energy-efficient technologies could affect consumer decisions. For example, the government requires appliance labels to include information about likely energy bills, which allows consumers to make informed choices. The evidence suggests, however, that many people still prefer conventional appliances—at least at current energy prices.

As our experience with the oil shocks of the 1970s shows, choices do change when prices rise. Thus, the economist’s view is that the most effective way to curb energy consumption is to raise the price of energy to reflect the harmful effects on the environment of burning fossil fuels.

POTUS American University speech, 9/9/97
Excerpt on climate change

Next, we must meet a very large environmental challenge in the next three months. We will work toward a worldwide climate change treaty this December in Kyoto that protects the environment even as it promotes global growth by committing the nations that sign on to it to specific, clear guidelines in the reduction of greenhouse gas emissions into the atmosphere. We know -- (applause.) You can clap for that -- that's all right. (Applause.)

Now, there are students here from all over the world, students from all over our country. Many of you have witnessed -- and your families have witnessed -- in your own homes, significant changes in climatic patterns in the last decade, and more extreme climatic develops. It is becoming a part of the common parlance of America, all over the country, to talk about the 500-year flood we had along the Mississippi River. One member of Congress, who happened to be a member of the other party, said to me the other day -- he said, "Mr. President, we've had three 100-year floods in the last five years in my home state." He said, "Does that mean I get to wait 500 years before we have another bad flood?"

Many of you who are studying this issue know that a panel of over 2,500 scientists has concluded that the climate of the Earth is significantly warming in ways that will have not entirely predictable, but almost certainly destructive consequences unless we do something about it.

This is something that will affect people of all incomes, of all backgrounds, from all parts of our country, and, indeed, the whole world. We need the young people of America, particularly the university students who are in a position to study this issue, to make this a gripping national issue. And we also need people who have the confidence in our ability to break new technological and scientific barriers to stand up and say, ***you cannot make me believe that we can't reduce greenhouse gas emissions substantially and still grow the American economy. We could reduce them 20 percent tomorrow with technology that is already available at no cost if we just changed the way we do things.*** (emphasis added)

Now, this will be a very controversial debate. And there will be people who say, President Clinton has spent five years killing himself to revitalize the American economy and now he's going to take it down overnight by committing to reduce greenhouse gas emissions in America. That is not true. But if you let the sea level rise and we flood the southern coast of Florida and we flood the southern coast of Louisiana, and we otherwise disrupt what life in the United States is like over the next 50 years, then your children will pay the price for our neglect. We can grow this

economy and do right by the environment. I think you believe that,
and I need you to help me convince the American people that it can be done.



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

MS. THOMAS: Thank you.

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

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

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

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

We want a responsible approach to climate change. We believe that the science makes it clear that the climate is changing. I want to proceed based on some fairly straightforward and simple principles. First of all, as we get ready for the Kyoto conference, I believe there should be realistic but binding limits to emissions of greenhouse gases. I believe that we have to do it in a way that keeps our economy growing. And I believe that we ought to embrace flexible, market-based policies. I believe we should reemphasize and reenergize our efforts in research and development to find as many technological solutions to this as possible, and to keep our nation in the forefront of what is now a \$400 billion market for environmental technologies.

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

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

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

THE PRESIDENT: Well, I think that the real question is

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

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

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

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

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

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

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

THE PRESIDENT: On UPS?

Q Yes, UPS.

THE PRESIDENT: Well, first we urged the federal

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

THE PRESS: Thank you.

END

10:32 A.M. EDT

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Michele Jolin 08/04/97 11:46:54 AM

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 4, 1997

REMARKS BY THE PRESIDENT
ON CLIMATE CHANGE

The Cabinet Room

10:25 A.M. EDT

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

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

PRESIDENT WILLIAM J. CLINTON
CLIMATE CHANGE EVENT
THE WHITE HOUSE
JULY 24, 1997

As we approach the dawn of the 21st century, our great challenge is not only to prepare our children for the world but also to protect the world for our children. This challenge is part of a sacred pact between the generations to ensure that today's progress does not come at tomorrow's expense. And that is why we have no choice but to face up to the full reality of global climate change.

Whenever the security of our people has been threatened, the United States has led the world to action. Climate change poses a threat to all people -- one that is subtle today but which will grow in severity and significance in years to come. The world must act. And the United States must lead. I am determined that we will lead -- responsibly, flexibly, making sure that we promote prosperity as we protect the environment. We have no choice -- and the scientists gathered here today will explain why.

Years ago, scientists could not be sure that human activities would influence our climate. But today, the evidence is in, the science is solid, and what was once theory is now fact: Global warming is for real. On this fundamental issue, the scientific debate is over.

The world's scientists believe that if we do not cut our emissions of greenhouse gases, we will disrupt the global climate. In fact, the overwhelming majority of scientists take their conclusions one step further. They believe there is ample evidence that human activities are disrupting the global climate already today.

the Our scientists are issuing clear warnings about what will result if we stick our heads in the sand and refuse to act. If we stay on our current course, average global temperatures may rise 2 to 6 degrees Fahrenheit in next century. To put this in sobering context, the difference in average temperature between the last Ice Age and today is only 9 degrees Fahrenheit.

If we fail to act, scientists expect that our seas will rise 2 feet or more over the next century, and thousands of square miles of Florida, Louisiana, and other coastal areas will be flooded. Infectious diseases will spread to new regions. Severe heat waves will claim the lives of more of our citizens. Our agriculture will suffer, and severe droughts and floods will be more common than ever.

The United States must confront this challenge head-on. As I pointed out recently at a special session of the United Nations, we have only 4 percent of the world's population, and yet we produce more than 20 percent of its greenhouse gases. For the sake of the planet and our own people, we simply must act.

In December, the nations of the world will convene in Kyoto, Japan, to come up with an agreement on how best to achieve meaningful emission reductions worldwide. Working with the American people, this Administration will bring to the Kyoto conference a strong American commitment to realistic and binding limits on our emissions. And let me be clear: Environmental protection and economic growth go hand in hand.

In Kyoto, we will emphasize flexible, market-based approaches. We will embrace research and development efforts that can help provide the technology to meet the new goals. And we will ask all nations -- industrial and developing -- to participate in a common solution.

I know that the nations of the world can work together to defuse the threat of global climate change. I know the science demands it. I know we owe it to our children.

And now, it is my honor to introduce Dr. Sherwood Rowland, the first of the distinguished scientists we will be hearing from today.

JAF
[Signature]

6/23/97 9:00 p.m.

**PRESIDENT WILLIAM JEFFERSON CLINTON
ADDRESS TO THE UN SESSION ON ENVIRONMENT AND DEVELOPMENT
NEW YORK CITY
JUNE 26, 1997**

Acknowledgments: Mr. President, Mr. Secretary General, Distinguished Leaders.

Five years ago, the nations of the world joined together in Rio de Janeiro around a simple but revolutionary proposition: that today's advances should not come at the expense of future generations -- that the earth we leave to our children and grandchildren must be as rich with promise and beauty as the one we inherited.

At Rio, the world embraced a compelling reality: our responsibilities to build a brighter future for our people and to protect the environment are linked together. Today, we know that we must keep our forests healthy and whole, our rivers pure and oceans clean...that preserving the resources we share is crucial to stability and peace, within nations and among them...and that what comes out of a smokestack or goes into the water within one nation's borders can do grievous harm to others. Just as our nations must work together to promote economic growth, good jobs and social progress, we must join together in safeguarding the natural resources on which growth, jobs and progress depend.

In the years since Rio, our shared resolve has led to real progress. The United States is proud to have led the effort to ban ocean dumping of radioactive wastes...and reduce land-based sources of marine pollution. With others, we are working to protect the coral reefs... conserve threatened fish stocks...and stop ozone depletion, which threatens life in the ocean and on land. We are

taking part in the effort to stop the advance of deserts. And we helped forge a consensus at the Cairo Population Conference that recognizes individuals' right to make family planning choices.

Here in America, we are also making important strides. We have cleaned up a record number of toxic waste dumps -- though we have many more to clean. We passed tough new laws to better protect our water, created new national parks and monuments and prevented mining in Yellowstone and oil and gas development in the Arctic National Wildlife refuge. Our efforts for environmental protection, economic growth and social improvement are increasingly united -- and I am proud of the work my Council on Sustainable Development is doing to strengthen that unity.

But in the last five years, we have all learned a hard lesson: achieving the goals we set for ourselves in Rio will be more difficult than we thought. The father of American conservation, John Muir, said, "When we try to pick anything out by itself, we find it hitched to everything else in the universe." That is the glory of nature -- which we see in the rainforest's web of life or Muir's beloved California woodlands -- it is also the hurdle before mankind as we try to manage the complex relationship between human society and the natural world. As Vice President Gore said on Monday, "Sustainable development requires sustained commitment."

Nowhere is this more true than on the critical issue of climate change. The scientific debate is over: Concentrations of greenhouse gases in the atmosphere are at their highest level in more than 400,000 years and climbing sharply. If the trend is not changed, the seas will rise more than three feet in the next century. In America, that means 9000 square miles [ck] of Florida, Louisiana and other coastal areas will be flooded...in Asia, 17% of Bangladesh, now home to 6

million people, will be lost...islands such as the Maldives will disappear from the map. The changed climate will disrupt agriculture, cause severe droughts and floods...and the spread of infectious diseases, including 50 million or more cases a year of malaria.

Just as no nation is immune from this danger, no nation can evade its responsibility to confront it. We must all do our part -- developing nations and the developed nations of the world that emit the largest quantities of greenhouse gases. My own country's responsibility is clear. The United States represents only 4% of the world's population, yet we emit more than 20% of the world's greenhouse gases. That must change. That will change -- starting with a strong agreement in Kyoto in December on emissions targets. The United States supports realistic, achievable and binding limits that return emissions to 1990 levels and then reduce them.

major structural change

Let us be clear: This effort will not be easy. It will carry significant costs. And it will demand sustained effort over many decades. Governments and industries will have to make significant investments to create new technologies and curtail pollution. Meeting our goals will require that we innovate...distribute the burden fairly in our societies...and above all, use common sense to reduce our emissions at the lowest possible cost and achieve maximum protection of the environment.

price of energy

To make good on our commitment, we must make our people full partners in this challenge. Ultimately, their ingenuity and determination -- as well of that of people around the world -- will decide our success. Our immediate task is to galvanize our people -- and in the coming months, I will work to do exactly that. I and my cabinet will speak to the American people about every aspect of climate change, and I will chair a White House conference on climate change this fall.

We will give them the scientific facts so that they understand why we must act... and the
economic facts so that they understand the costs.

We also must hear from those who recognize in this global problem a global opportunity -- to develop essential new technologies that increase productivity and energy efficiency. Now, we must unleash more of the creative power of our people to seize these possibilities. For example, we must find ways to use the sun's energy to reduce our reliance on fossil fuels. To advance that effort, I am announcing that the United States will put up 1 million solar roofs around our nation by the year 2010. By capturing the sun's warmth, we can help turn down the earth's temperature.

Today, I want to discuss three other initiatives that will help us confront the problem of climate change and advance the sustainable development goals we share.

First: To help developing nations fulfill their responsibilities to reduce greenhouse gases, I am pleased to announce that the U.S. will provide them with \$1 billion in assistance over the next five years. These funds will go to programs that support energy efficiency and the development of alternative energy sources and better resource management to promote growth in ways that do not contribute to global warming.

Second: Aid alone cannot guarantee that sound, sustainable practices take root in the developing nations. Only when nations build thriving economies with free markets and embrace wise environmental policies can these goals be achieved. That is why the United States will work harder to encourage private investment that meets environmental standards. Starting today, the

U.S. Overseas Private Investment Corporation will require that its projects adhere to new and strengthened environmental guidelines. In our era, trade and investment -- not aid -- are the primary engine of economic change. This effort can pave the way to common guidelines for responsible investment -- and greatly strengthen sustainable growth in developing countries.

Third: All our nations must do better at safeguarding forests, which are vital for maintaining life on our shared planet. There has been much helpful discussion, but now nations must act more effectively. The United States will work to eliminate subsidies and incentives that encourage destructive logging practices...protect large, ecologically important roadless areas in our national forests...establish an independent committee of scientists to improve management of those forests.

Distinguished leaders: In all of our cultures, the thought has been handed down that, as Scripture says, "One generation passes away and another comes, but the earth abides forever." We know the earth will abide forever. But we must fulfill our obligations so that when this generation passes, it will be the earth we know that the coming generation inherits.

We must act wisely with our environment -- so we can we build a 21st century in which people live in harmony and not at war...so that today's growth does not threaten tomorrow's survival. We have much work to do. Let us strengthen our resolve -- and let us turn to it.

###

on the grounds of demographic balance process. From the fact that we know that this would be a problem without any scientific study here? At we won't have health insurance? I repeatedly that means testing are the following. Number two, a lot of reform in worth of savings, right now. And we're opposed to it? We care deal in the reason to believe, over the budget opposition in both the former Congress. Others have said they're not capable of a lot of practical

of the long-term Social Security and the budget agreement all the parties it is acceptable to minimize the prize we've these other done and in an

administration has chosen missiles to Pakistan, agreement, and also to capture the missiles. Will it have any affect

reports or alleged you that when we're providing ring we've thought were national interests, we're satisfied. I think it's will not overlook them, and we will take appropriate

is always going to

with: working families with incomes between \$22,000 and \$25,000. Now suppose you've got a rookie police officer in a medium-size city in the South. The average entry-level salary is about \$23,000. And it's a woman or a man with two kids at home.

This police officer is paying federal taxes, a considerable federal payroll tax. And to characterize them as welfare recipients because they would be made eligible for the same help that people making \$31,000 a year would get to raise their children, I think, is wrong. So, that is an area where we simply have a disagreement.

I was encouraged that the Senate moved closer to us than the House. This is something I expect to work out.

On the other question, . . . do I think we're not going to make an agreement because of reported divisions within the Republican ranks? No, I do not expect that to be prohibitive. I think that there was a lot of tension within their caucus, obviously, over this disaster aid bill, but in the end, they did the right thing. . . . I don't expect the splits to paralyze us.

Legal Impact of Tobacco Deal

I'd like to ask you about an aspect of this tobacco deal where you do have some expertise: the legal aspects. What's your view of this concept of protecting the tobacco industry from lawsuits, from liability? What kind of legal and what kind of constitutional precedence would that set?

Well, as I understand it, it does not protect them from liability for actual damages. It protects them from liability for past punitive damages and still permits punitive damages if there is misconduct from the date of the agreement forward.

Now, in the law, the purpose of punitive damages is to deter future destructive behavior, and the concept of punitive damages is provided, not because the person suing is entitled to it because of his or her injuries, but because you think the injuries are not enough—compensating this person is not enough to take the profit out of whatever antisocial conduct and illegal conduct the defendant was engaging in. So you have punitive damages to take the sting out of it.

The people negotiating on behalf of the public, the attorneys general and the lawyers, as I understand it, got another \$20 billion or so . . . in a kind of advanced penalty fund. Say, we're going to make you pay up front for the things you've done wrong, and that's how—you know, in the last few weeks, the agreement went from involving about \$300-and-something billion to almost \$370 billion. . . .

Campaign Finance Hearings

The hearings on campaign fund-raising will begin soon, and a number of key figures—people who worked for you or old friends—have either fled the country or have said they would take the Fifth Amendment. Is there anything you can or should do to

long time. And I'm just not prepared to give up on our engagement policy. So, that's all I can say about it.

International Tobacco Regulation

Now that you have a U.S. tobacco agreement, would you favor and encourage some sort of international regulation of tobacco, and wouldn't this be a good G-7 issue?

Well, it might be. But the problem is, you know, the G-7 nations are not the primary place where the market is growing. I will say this: I hope that other countries around the world that are concerned with their own public health and who have primary responsibilities for the well-being of their own people will look at what we've been trying to do here and ask themselves whether they should take some similar steps if they want to avoid very high death rates, very high disease rates and enormous social cost. . . .

Reforms in Japan

I think we have been waiting for too long for Japan's achievement of deregulation and administrative reforms. Could you tell us your opinion as frankly as possible on this matter?

I agree with you. Here's the problem we're going to run into with Japan on the trade issue. We have made real progress over the last four years in our trading relations with Japan. It's become a real joy to be able to meet and work with Japan where trade was an issue, but not the only issue, where we really thought we could identify the issues and make progress on them, that there was no big structural war going on—economic war—between the United States and Japan.

And I think it's obviously not been bad for Japan either. I think it's been good for both of us.

Now, the prime minister has reaffirmed his commitment to a domestic demand-led growth strategy for Japan and has put forward a very ambitious plan for internal reform and deregulation and opening of the Japanese economy.

At the same time, he says quite rightly that all these advanced economies are going to face serious challenges from the aging of our populations. That's true. You've heard all the questions that were just asked to me about our medical programs. And Japan has an even older population than the United States, aging even more rapidly.

So the decisions by the Japanese government to try to pursue a path of fiscal austerity, driven in part by the desire to prepare for the retirement in the aging of the Japanese population, runs the risk of going back to the old export-driven strategy of growth. And we'll just have to work through those two conflicts.

We can't tell the Japanese government or the Japanese people that they can't prepare for the aging of their population. We have to do the same

the group now that Russia has joined, specifically between U.S. and Europe.

I hope that Russia will . . . change in two ways that I would consider immensely positive. One is I think that the participation of Russia here, just like the NATO-Russia Founding Act, increases the chances that we can maintain stability in Europe in the 21st century and that we can deal with any problems that arise, like we're dealing with them in Bosnia, to prevent the outbreak of widespread war in Europe.

The second thing I think is very positive is Russia, don't forget, is also a great Pacific power. So in bringing Russia into this partnership along with Japan, you will see a little more emphasis, I think, on what we can do as a group to deal with what's going on in Asia in preserving stability and freedom and opportunity there.

So in those ways, I think you'll see the texture of this change. . . .

Bosnian War Criminals

Can you assure us that by the time of the next summit, the main war criminals in Bosnia will finally have been arrested?

I can't promise you that, but I can tell you that's what I support. . . . It's going to be difficult to implement the full spirit of the Dayton accord unless you see some progress on the war criminals front, number one. And number two, as you may know, I have felt for some time, with so much ethnic and religious and tribal hatred in the world, that there probably should be an international war crimes tribunal that is permanently established and goes forward, because I think that what we see in Bosnia is just one example of a whole set of very serious problems.

Summit's Main Accomplishment

. . . What do you feel was the most significant accomplishment with this year's summit?

I think the most significant thing we did here was to commit ourselves to a growth strategy that would include not only our own countries but other countries around the world, and that would be pursued while improving not undermining the environment. And that's quite significant.

Now, we always said these things specifically before. But here we said, look, we're coming up to Kyoto where we're all bound to adopt legally binding targets to reduce greenhouse gas emissions. So, that means we have to grow our economies while improving our environments, number one. And then we said, we're going to reach out to Africa, we're going to reach out to the developing countries of Asia and Latin America, that our prosperity depends upon their prosperity.

And to me, I would hope that the students who follow this online would look at the world in that way, would see

THE WHITE HOUSE
WASHINGTON

June 18, 1997

6-18-97
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Tarullo
McGinty
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MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *DS*

SUBJECT: Climate Change

The attached McGinty/Tarullo memo seeks your approval for a course of action on the climate change issue designed to take you through the Denver Summit and the UNGA Special Session on the environment and to lay the groundwork for the December meeting in Kyoto, where negotiations on a new treaty are supposed to conclude.

Decision point. The question for now is how specific a position you should articulate in Denver and New York with respect to emission levels of greenhouse gases. As a matter of substance, most of your Cabinet would support your calling for "stabilizing emissions in the medium term" -- i.e., returning greenhouse gas emissions to 1990 levels by 2005-2020. However, the consensus of your advisors is that such an announcement would not be tenable at this time in view of the strong opposition it would provoke among significant business sectors, labor and Members of Congress, and the lack of public support for concerted action. (Even relatively moderate action, such as returning emissions to 1990 levels by 2010, could have substantial short-term economic costs.)

Consequently, your advisors recommend that you make strong, but non-specific statements about climate change at both the Denver Summit and the UNGA meeting (suggested UNGA language appears at p. 4) and that these events be followed by an intensive effort to educate and persuade the American public about the great importance of this issue in order to build support on the Hill for a strong American position. We would aim to decide our negotiating position for Kyoto by the early fall. This approach will likely subject you and the Vice President to intense criticism from the environmental community, which believes you should make specific emission commitments now. And European leaders such as Blair and Kohl will also criticize our lack of specifics. But the alternative appears worse -- an immediate call for specific reductions that would be sharply attacked by large parts of the business community, rally little public support, and have no chance of endorsement on the Hill.

(Several appendices are attached to the memo. I am sending up Appendix E only -- a draft action plan for engaging the American public. If you want to see any of these other appendices, let me know. Appendix A sets forth four options for specific emission reduction statements, but, as noted, the consensus is that you should not make *any* such specific statement at this time; Appendices B and C review environmental impacts and economic analysis respectively; Appendix D is a more detailed general review of the issue.)

Approve approach ☒

Disapprove ☐

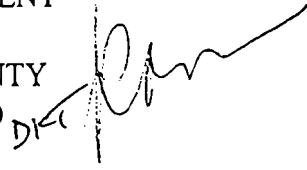
Discuss ☐

THE WHITE HOUSE
WASHINGTON

June 18, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY
DANIEL K. TARULLO



'97 JUN 18 AM 9:17

SUBJECT: UPCOMING INTERNATIONAL EVENTS AND CLIMATE CHANGE

I. Action-Forcing Event

Over the next few weeks, you will have two high-profile events that focus attention on U.S. climate change policies: the Denver Summit of the Eight (June 20-22) and the United Nations General Assembly Special Session on Environment and Development (you are speaking on June 26). To date, the United States has called for binding emissions targets, flexibility in meeting those targets and the participation of all countries under the climate treaty, but has not signaled which specific emissions levels would be acceptable. Negotiations are set to conclude this December in Kyoto. Other countries and domestic constituencies are calling on the U.S. to state its views.

Your advisers are evaluating the specifics of a U.S. negotiating position, with some differences among them. However, there is a consensus that, even at the cost of significant criticism from other countries and environmental groups, it would be imprudent to take a specific position on emissions levels in the upcoming events. Instead, you should make a strong statement about the need to address the problem of climate change and begin an intense process of personally communicating with the American public on this issue with the objective of articulating a substantive policy position in the fall.

II. Background

Climate change may be the most significant economic and environmental policy issue to be addressed in the second term. There is now scientific consensus that human activities (primarily the burning of fossil fuels) are having a discernible influence on the global climate and that "climate change is likely to have wide-ranging and mostly adverse impacts on human health". The implication is that greenhouse gas concentrations must be held to responsible levels in the long term to avoid dire consequences. Greenhouse gas concentrations are at now their highest levels in 200,000 years and, absent policy interventions, concentrations at the end of the next century are predicted to be at a 50 million year high. Impacts are predicted to include higher temperatures (global average temperatures are predicted to increase 2-6.5 degrees F. by 2100), sea level rise (threatening low-lying areas), spread of infectious diseases, and more highly variable weather (with increased frequency of severe weather events such as droughts and floods).

The U.S. is the world's largest emitter of greenhouse gases, with roughly 25% of the world's total. Domestic greenhouse gas emissions have been growing by a bit over 1 percent per year, so that today's emissions are about 10 percent higher than in 1990. In many developing countries, emissions growth rates are higher, but per capita and overall emissions levels are lower. The developed countries are responsible for much of the accumulation of greenhouse gases in the atmosphere and currently are the largest emitters. By 2020-2040, however, the developing countries will surpass the developed countries in terms of emitting greenhouse gases. Since global climate is affected by greenhouse gas concentrations in the atmosphere, and since the efforts by any one country to reduce its emissions cannot have much of an effect on global concentrations, a sensible approach would call on all countries to play a role. The U.S. has urged developing countries to accept significant obligations (short of quantitative emissions targets) in the international treaty negotiations. To date, there has been little international support for the U.S. position on developing countries.

In general, market-based policies are believed to be the most efficient means to reduce greenhouse gas emissions, because these policies promote flexibility and minimize economic costs. The U.S. has urged that the climate change treaty promote maximum domestic flexibility in all countries, establish a system where countries with quantitative emissions targets can trade emissions rights, and establish a system of joint implementation, where developed and developing countries can undertake joint efforts to reduce emissions wherever the cost is lower.

In a Principals meeting to consider the U.S. position on emissions levels under the climate treaty, most of the participants indicated support for "stabilizing emissions in the medium term." (In the parlance of the climate change negotiations, "stabilizing" means returning greenhouse gas emissions to 1990 levels and "medium term" means 2005-2020). But many of the agencies and offices represented conditioned their support on success in achieving other elements of the U.S. negotiating position (e.g., international emissions trading, participation of developing countries). Several participants felt that further analytic work was needed, and expressed a desire to see further options developed.

In the view of many members of your Cabinet, calling for emissions to be stabilized at 1990 levels in the medium term and emphasizing the importance of other elements of the U.S. position would allow you to take the high ground. You could commit the U.S. to meaningful emissions reductions, while insisting on other principles we consider vital to an agreement. This would provide flexibility for future development of our position and, given the likely difficulty in convincing developing countries to participate more fully under the climate treaty, also offer a principled basis for walking away from an agreement in Kyoto should we decide it is in our interest to do so.

However, as several of your economic advisers noted, even the seemingly moderate goal of returning emissions levels to 1990 levels by 2010 would entail economic policy interventions greater than any we have undertaken during your Presidency. Even with the kind of flexibility components proposed by the United States, market-based policies designed to reduce greenhouse gas emissions significantly are likely to raise domestic fuel prices by significant amounts and to have particularly adverse effects on the coal industry. The result would be lower economic growth, with the most

serious effects in the earlier years. Thus, emissions control policies impose significant short term economic costs in order to achieve distant (though potentially enormous) environmental benefits.

In the view of some of your advisers, there is strong evidence that total costs could be lowered significantly if policies were put in place to emphasize investment in productivity-enhancing technologies. A number of economic advisers believe that this use has not been established. Some of the technologies envisioned would not have a major impact by 2010, but could have significant impact in the decade that follows. An expanded program of research and policies encouraging innovation could have low costs and achieve broad political support.

The politics of this issue are difficult, at best. For many environmental groups, strong action on climate change is a litmus test of your environmental policy. If you fail to speak decisively on this issue at the Summit or the UN General Assembly Special Session, their criticism will be intense. European leaders such as Blair and Kohl will probably be both ambitious in their proposals and critical of our lack of specifics. On the other hand, much of the business community is strongly opposed to action that would significantly reduce greenhouse gas emissions. Fossil fuel and heavy manufacturing companies are poised to attack any policies that might be supported by environmental groups. Organized labor is increasingly opposed to strong actions, as well, largely in deference to the concerns of the United Mine Workers. Farmers are likely to oppose any policies that would increase energy prices. Southern and western Republicans in Congress are very skeptical about policies to constrain greenhouse gas emissions, as are Midwestern and coal state Democrats. Indeed, Senator Byrd currently has 45 signatures on a resolution requiring developing country obligations before U.S. agreement in Kyoto.

III. Recommendation

Your advisers believe it is necessary to undertake a serious educational effort to convince the American public that climate change is an important long-term issue that requires the United States to institute policy changes. Such an effort should be an interactive process, with you and your Cabinet members taking lead roles in listening to the public, elected officials, and interest groups, and then fashioning an appropriate policy response. Your advisers believe that such a process is necessary to develop a workable political consensus in the country for an effective climate change policy. If this consensus is not achieved, it will be virtually impossible to have an international climate change treaty limiting domestic greenhouse gas emissions ratified by the Senate in the foreseeable future.

Your advisers recommend that you address climate change at both the Denver Summit and the UN General Assembly Special Session. At Denver, as you have done in the past, you should discuss the subject in strong terms, noting that the science is quite clear on the scope of the climate change problem. You also should note that there are extensive differences in the various proposals made to begin the process of achieving a solution. You can sketch out the importance of creating a long-lasting framework for implementing worldwide climate change policies, because this is an issue of vast scope (covering many decades and all the countries on the earth). And you can call on the Eight to work together to ensure that the treaty negotiated at Kyoto is acceptable to all members.

At the UN General Assembly Session, your advisers recommend that you again discuss the statement in strong terms, signaling your resolve to address this issue. They recommend the following language:

There is no more serious issue than climate change, and it is clear that we will need seriously and significantly to reduce our emissions of greenhouse gases beginning with a strong agreement in Kyoto.

We must remember that our goal is to stabilize concentrations of greenhouse gases in the atmosphere at an acceptable level, a task that must begin now, but which will require continuing sustained effort over many decades. So it is important that we set up a system that will work -- that will allow us to reduce our emissions at the lowest possible cost so that we can achieve the maximum protection of the environment. And it is also important that next steps send a strong signal of our intent, so that governments and industries can make significant investments in the new technologies that will be required if we are to achieve our ultimate goal. And finally, although those of us in the developed world who emit the largest quantities of these gases must take the lead, all countries must participate in moving toward the solution.

Your advisers recommend that you then begin to outline your personal involvement in the education campaign that will be necessary to build domestic acceptance for any meaningful emissions constraints. Although gaining consensus across the political spectrum is not possible on this issue, it may be possible to enhance support significantly among centrist constituencies and the public at large. Notwithstanding that you are speaking to a UN audience, you should direct your remarks to the American public.

You could announce specific means to pursue this dialogue, including your plans to host a White House Conference on Climate Change in September to bring together elected officials, business, labor, and environmental and scientific leaders, academics, and representatives of the public to discuss climate change policy. You could announce that this White House conference would be preceded by a series of regional conferences -- each hosted by members of your Cabinet. These high-level conferences would serve to educate the American public and bring forward ideas on how best to address climate change. A core goal of this and other efforts would be to break through to the American people with the message that "Climate change is an important issue for you and your family -- one that Bill Clinton believes we must address in a responsible way." Meanwhile, analytic work on policy alternatives would continue, informed by the public debate. We would aim to arrive at a complete U.S. negotiating position by the early fall.

You should be aware that this approach may lead to intense criticism of you and the Vice President by environmental groups. These groups have been calling on the U.S. to state a specific position on emissions levels, and will consider strong rhetoric and promises to engage personally in the issue to be inadequate. Some commentators will equate your approach with that of President Bush. (Bush refused to agree to any emissions levels in Rio. You reversed that position in April, 1993 and voluntarily committed the U.S. to reducing emissions to 1990 levels by the year 2000). However, your advisers believe that refraining from announcing specific goals until early fall is necessary to

develop the political and public consensus required to undertake any meaningful policy action on climate change. The alternative set of actions (making statements in the next few weeks supporting emissions constraints perceived as strong) would lead to harsh and lasting criticism from business and labor, in the opinion of your advisers. The resulting public and Congressional reaction could be so severely negative that you might be unable to take any significant policy steps on climate change. Moreover, criticism from these sources also could place other policy initiatives (environmental and others) in jeopardy.

Several appendices provide additional information. Appendix A lists five options identified to the Cabinet recently for statements by the President on climate change. Material analyzing the projected environmental impacts of these options is attached as Appendix B. Material summarizing the projected economic impacts of Options 1, 2, 3 and 4 are presented in Appendix C. Additional background material on climate change (including a discussion of domestic policy options) is attached as Appendix D. Finally, Appendix E sets forth possible elements of a strategy for you to engage the American public on this issue in the weeks and months ahead.

IV. Decision

That you approve the course outlined above.

_____ Approve _____ Disapprove _____ Discuss

APPENDIX E
CLIMATE CHANGE:
THE PRESIDENT ENGAGES THE AMERICAN PUBLIC

Overall Goal: Show the American public that President Clinton is determined to combat climate change in a way that deserves broad support.

Overall Strategy: A Three Pronged Approach

- A. President's Vision Set Forth at UNGA Special Session
- B. Build Public Awareness Through POTUS and VPOTUS Events
- C. Outreach to Policy Community

Implementing the Strategy:

- A. **President's Remarks at UNGA Special Session: Intensive Engagement to Chart Path Forward**

Goal: Set President's vision for approaching climate change and begin drawing business, labor and environmentalists into a cooperative process on how best to move forward.

- B. **Build Public Awareness Through POTUS and VPOTUS Events**

Goal: Elevate public understanding of the importance of changing climate and build support for national policy priorities developed cooperatively through an open dialogue with the range of affected constituencies.

Strategy:

- i. **Presidential Events:**

- a. 3 radio addresses by end of September (first possibly on June 28)
- b. Message-of-the-day events; for example:
 - Kick-off of Million Solar Rooftops (Virginia PV plant or sites in SW/West Coast)
 - Visit Chicago's Board of Trade SO₂ Trading Center
 - Visit a GLOBE school site
 - Visit the Denver Clean Car Exhibit at G-8
 - Visit New York Harbor to highlight sea level rise issues
 - Visit National Park where fragile ecosystems are threatened.

ii. **Vice Presidential Events:**

- a. Site visits to technology demonstration projects (e.g. biomass or wind demonstrations in Iowa or Minnesota)
- b. Announce a New Clean Cities participant (Houston, Phoenix, New York City)
- c. Partnership for Advanced Housing Technology (new development at Stapleton Airport in Denver or southern California/Florida in disaster vulnerable areas)
- d. Visit a Federal facility participating in the Federal Energy Management Program

iii. **Regional and National Workshops:** Conduct three regional conferences leading to a White House Conference. Three to five cabinet members and senior White House staff would participate in each. Conferences conducted in roundtable format, chaired by senior Cabinet members. Each would begin with key presentations, followed by open dialogue. Open to press and encourage live C-Span coverage. Conduct press backgrounders before and after. Involve regional corporate CEO's, academics, environmental & labor leaders, governors, other state & local leaders, religious leaders and members of Congress. All conferences would be comprehensive, but each would have a special focus, tailored to region.

Locations:

- East: New Orleans, Charleston, Miami, or the New Jersey shore. Highlight: Coastal storms damage, infectious disease risk and forest system impacts in southern and eastern states.
- Mid: Columbus, Detroit, Chicago, or Indianapolis. Highlight: Agriculture shifts, coal community impacts, heavy manufacturing impacts and opportunities.
- West: Sacramento, Phoenix, Portland, Seattle or San Francisco. Highlight: Water resource conflicts, public lands impacts, technology response opportunities.
- National: White House/DC, Baltimore, Richmond, New York. Highlight: Comprehensive integration of concerns into a need and pathway for action.

C. Outreach to the Policy Community

Goal: Engage policy community (CEOs and Congress in particular) in design of policies that comprehensively address climate change mitigation and that garner their support.

Strategy:

- i. President and VP should each reserve 10 - 12 slots for climate orientation briefings and meetings with industry leaders between now and Labor Day. Cabinet members should be given key responsibilities for particular sectors/industries. Should schedule in close coordination with National Dialogue meetings. Also encourage Cabinet members to host at least one public meeting and make a major speech.
 - a. Examples for President: meeting with Nobel laureates, meeting with religious leaders, meet with Congressional leaders to stress environmental imperative.
 - b. Examples for Vice President: Dinner with Congressional leaders; Lead a Congressional visit with scientific leaders to the Smithsonian's climate change exhibit.
- ii. **Industry Roundtables:** Series of CEO meetings with POTUS, VP, Cabinet members & other senior staff. Offer our policy inclinations, get feedback and ask for their ideas on what's missing. Examples:
 - a. Invite Norm Augustine, CEO of Lockheed Martin, to bring 10-15 CEOs of major environmental technology firms for meeting.
 - b. Invite John Browne, CEO of BP, to bring 10-15 oil/gas CEOs for meeting.
 - c. Invite R. Linn Draper, CEO of AEP, to bring 10-15 moderate electric utility CEOs for meeting.
 - d. Invite Ken Lay, CEO of Enron, and Dennis Bakke, CEO of AES, to bring 10-15 independent power developers for meeting.
 - e. Invite Michael Bonsignore, CEO of Honeywell, to bring 10-15 energy efficiency technology firms for meeting.
 - f. Invite 10-15 renewable energy CEOs for meeting.
- iii. Disseminate broadly the results of the review by the President's Advisors on Science and Technology (PCAST). The PCAST has been challenged to produce an energy strategy that will meet the "energy and environment needs of the next century" by October.

- iv. Open meeting with the Washington, D.C., policy community on peer-reviewed economic analysis and other information to be used in the regional conferences.

Notional Schedule:

June 24-7:	OSTP South East Regional Workshop (Vanderbilt) - <i>scheduled</i>
June 25:	VP Attends OSTP Impacts Workshop (Nashville) - <i>scheduled</i>
June 26:	President Speaks at UNA Special Session - <i>scheduled</i>
June 27:	President meets with CEO's of Big 3 automakers - <i>scheduled</i>
June 28:	First Presidential radio address to speak to climate change, perhaps with discussion of transportation sector (mtg. with Big 3 on 6/27), including the results of SunRayce 97 (pv powered car race) - <i>TBD</i>
June/July:	VP hosts Congressional Dinner - <i>TBD</i>
Early July:	Public Release of Economic Analysis - <i>TBD</i>
Early July:	Cabinet Orientation - <i>TBD</i>
July 14-16:	OSTP North West Regional Workshop (Seattle) - <i>scheduled</i>
July/August:	Industry Roundtables with President, Vice President, Cabinet and industry leaders - <i>TBD</i>
Late July:	Eastern Regional Meeting - <i>TBD</i>
Mid August:	Mid Regional Meeting - <i>TBD</i>
Late August:	Western Regional Meeting - <i>TBD</i>
Late September:	White House National Conference - <i>TBD</i>
September:	President's Remarks to UNA - <i>TBD</i>
September 3-5:	OSTP New England Regional Meeting (U of NH) - <i>scheduled</i>
Nov. 10-12:	OSTP National Impacts Workshop at NAS - <i>scheduled</i>
October:	PCAST strategy due

EXCERPTS ON CLIMATE CHANGE
Remarks by the President to Business Roundtable
Washington, D.C.
June 12, 1997

...Finally, let me say on an issue that I know is a concern to some of you because I read your ad in the paper -- (laughter) -- I think that we have to prove that we can grow the economy while not only preserving, but actually enhancing, the environment. And I believe most of you think we can do that. And I think the message you were trying to get across in the ad is, don't wreck the economy without knowing what you're doing. I understand that.

But let me say, I was very moved by the speech recently given by the Chairman of British Petroleum on the issue of climate change. I don't know how many of you read it, but essentially what he said is, look, nobody knows exactly what the impact of climate change is, but let's not deny anymore that the climate is changing and that it can't be good, and that no harm will be done if we take sensible steps to try to reduce greenhouse gas emissions and to do other things which will help us to preserve the environment.

We've had more extreme weather conditions in the United States in the last five years than we had in the previous 30. And we know from all the scientific studies what is happening to the temperature of the globe. What I ask you to do is to work with me in good faith to give our children a world worth living in.

A lot of you have made a good deal of money in your corporations by technologies which improve the environment. And if we have the strongest economy in the world, we will find a sensible way to grow that economy in a way that fulfills our responsibilities.

Today, with 4 percent of the world's population, we produce over 20 percent of the greenhouse gases. We're up 13 percent since 1990 when President Bush and his administration said we would try to hold constant through the year 2000.

I had an interesting conversation with Jiang Zemin in New York about a year ago, when he said, I don't want you to have a containment policy toward China. I said, I'm not sure -- I said, I don't want to have a containment policy towards China. I said, my biggest worry about you is that you'll get rich the same way we did. And if you do that, you might burn the air up because you've got 1.2 billion people. And we need to find an environmentally responsible way for China to grow.

So I ask you to join with us in this partnership. There is no secret plan. There is no scheme here to try to put thousands of Americans out of business. I have devoted my passion and the best ideas I could come up with to try to get this country in good shape economically and socially. But I do believe it is folly for us to believe that we can go into the next century without a strategy that says we're going to be responsible and we're going to do our part and lead the world on the environmental issues -- because we all know what the evidence is. We don't know what the consequences are, and we don't want to go off and do something that we're not sure makes sense. But we can do this. We can do it together. We can do it in a way that makes sense.

And I ask you not to ever ask us to back away from that, but instead join hands with us and do what we've done for the last four and a half years. Let's find a way to preserve the environment, to meet our international responsibilities, to meet our responsibilities to our children, and grow the economy at the same time. I know we can do it. Look at the evidence of the last four years. We can do anything if we put our minds to it...

G7 Moves to 'Mainstream' Russia, Africa

Some Disputes Crop Up On the Environment, European Economies

By JACOB M. SCHLESINGER
And HILARY STOUT

Staff Reporters of THE WALL STREET JOURNAL
DENVER — The leaders of the world's richest nations endorsed several initiatives to expand and strengthen international trade and investment, but they had some disputes over how to smooth out the global marketplace's rough edges.

The main accomplishments of the three-day annual Group of Seven summit were moves to further integrate both Russia and Africa into "the economic mainstream," as one U.S. official put it.

A Big Step for Russia

Though the progress was largely symbolic and rhetorical, leaders of the U.S., Japan, Germany, Britain, Canada, France, and Italy did announce a big step for Russia, welcoming Moscow into the Paris Club of creditors. Membership will make it easier for Russia to collect payments for loans to developing countries. Moscow, in return, agreed to write off more than half of its estimated \$120 billion in such credits — much of that to one-time African client states of the former Soviet Union.

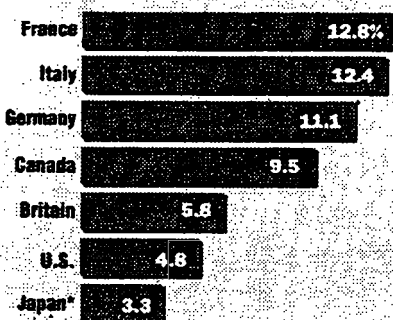
The summit here was marked by some disputes between President Clinton and his counterparts, the most serious of which concerned curbing environmental damage from economic development. While Europeans pressed for an agreement to cut carbon dioxide emissions by 15% by the year 2010, Mr. Clinton refused to accept specific limits.

Prelude to Bigger Battles

The final communique released yesterday reflected a compromise: The U.S. agreed to a 2010 deadline for emissions reduction, while saying that it intends to "commit to meaningful, realistic and equitable targets that will result in reductions of greenhouse-gas emissions."

Big Job Ahead

Unemployment rates, as of May 1997



*Analysts say Japan understates its unemployment rate, and that by conventional measures it is about twice as high.

Source: Donaldson, Lufkin & Jenrette

European Commission President Jacques Santer blasted the American intransigence, saying, "I am frankly disappointed that not all our partners were able . . . to take quantified commitments on the reduction of greenhouse-gas emissions." French President Jacques Chirac said that "Americans are great polluters," more concerned with "economic activity" than environmental protection.

That dispute was just a prelude to what promise to be bigger fights between the U.S. and its allies at the United Nations Earth Summit beginning today in New York, and at an environmental summit in Kyoto, Japan, later this year.

Environmental questions weren't the only ones to spark disagreements between the U.S. and the other six countries. Blessed with the strongest economy in the G-7 this year, Clinton administration officials have been urging Western Europe and Japan to jump-start their sluggish economies by easing regulations, loosening social safety nets, and embracing more American-style free-market reforms.

U.S. officials inserted a line in the final economic statement calling on France, Germany and Italy to attack their double-digit unemployment rates by increasing "efficiency of government action and, where necessary, reshape its role in their economies, including through reforms of tax and social-security systems."

The Europeans, however, expressed doubts about the U.S. prescription. Mr. Chirac said that German Chancellor Helmut Kohl urged their fellow leaders to accept a "social market economy." Mr. Chirac, in a news conference, approvingly quoted Mr. Kohl as saying that "as we move to the global market economy, we shouldn't forget the word 'social' and concentrate on markets alone."

On the political front, the eight leaders issued a tough statement yesterday morning threatening to cut off aid to states that made up the former Yugoslavia if leaders there don't adhere to the terms of the 1995 peace agreement, "uphold fully the right of refugees . . . to return to their homes," and "cooperate fully" with the war-crimes tribunal. The eight leaders also said the Middle East peace process "faces a crisis" and urged both sides to "uphold the principles" of earlier peace agreements.

Summit of the Eight

Going into the Denver summit, American officials said that their top priority was making Russia feel more like a member of this elite club — and they seemed to have succeeded. Except for a brief discussion of economics on Saturday afternoon, Russian President Boris Yeltsin participated in the full summit, which had prompted organizers to call the meetings the "Summit of the Eight," rather than the traditional "G-7."

"The Russian state is a full-fledged member of the more important political and economic organizations," beamed Russian Finance Minister Anatoly Chubais, Moscow's leading free-marketeer. "Finally, the recognition has come."

For both the prestige and the money, the Russians badly want to enter the Paris Club, a group of leading creditor nations formed to provide debt relief for developing countries. The admission, expected to be formalized soon, will likely boost Russia's credit rating and allow it to borrow more easily.

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Continued From Page A3

sia's credit rating and allow it to borrow more easily.

Far more important for Russian economic integration is membership in the World Trade Organization, something Messrs. Clinton and Yeltsin have said they would like to see by next year. Mr. Chubais, however, acknowledged some difficulties in negotiating acceptable terms with the Europeans. A Clinton administration official said that, while he remained optimistic about the prospects, the Russians "have got an ambitious legislative agenda" of economic reforms required before entering the free-trade regime.

American officials also trumpeted the African initiative endorsed yesterday as "the end of post-colonialism in Africa." The campaign calls for shifting the emphasis from aid to trade and market-based economic reforms, and is designed to encourage Western businesses to "think of Africa as a market," a U.S. Treasury official said.

Mr. Chirac, however, said that U.S. proposals on Africa went too far in trying to create a "more dynamic investment system" and that the other leaders had tempered the American demands for free trade in Africa.

In addition to trying to draw more countries into global markets, the leaders endorsed a package of measures designed to minimize the risks from such a rapid expansion. These included setting standards and new supervision mechanisms for banks and brokerage firms, a kind of loose global version of the Securities and Exchange Commission.

THE WALL STREET JOURNAL
MONDAY, JUNE 23, 1997

evangelical congregation in Fairbanks.

For Heaven's Sake Racial Reconciliation Becomes a Priority For the Religious Right

Reasons Are Strictly Biblical,
Not the Social Ideals
Of Liberal Congregations

Behold a 'Miracle in Memphis'

A

By DOUGLAS A. BLACKMON

Staff Reporter of THE WALL STREET JOURNAL

BRUNSWICK, Ga. — In the pitch dark of an early Sunday morning last summer, four members of a local black family — Edward Bailey, his wife, their daughter and a granddaughter — died in a gruesome auto accident. As funeral preparations began, family and friends quickly realized that no black church in town was big enough to hold the anticipated crush of mourners.

First Baptist Church stepped forward to help. On the day of the funeral, more than 2,000 African-Americans crowded the long wooden pews inside the stately church, with its tall stone columns and the largest sanctuary in town.

Anywhere else, such a trifling act of small-town goodwill might have been unremarkable. Here deep in the once-segregated South, however, it was one more manifestation of a profound and startling shift among the most conservative of religious believers. For the Bailey ceremony was the first black funeral that church leaders can recall having ever been held at the all-white Southern Baptist church, the oldest congregation in a town whose churches had been firmly separated since the day First Baptist's slave members departed to form their own congregation — in 1862.

Open Doors

Whites at First Baptist say they were just being neighborly. But for many African-Americans in town, the Bailey funeral marked a turning point. "It was a sign that their doors are open," says the Rev. Rance Pettibone, pastor of First African Baptist Church, the black congregation that broke away during the Civil War.

At a time when Americans share a pervasive sense that relations among the races are at best stagnant and at worst declining precipitously, the most energetic element of society addressing racial divisions may also seem the most unlikely: the religious right.

Across the country, conservative congregations and denominations, while sticking to other stringent principles of conservative religious thinking such as the proscription of homosexuality and abortion, are embracing a concept called "biblical racial reconciliation" — a belief that as part of their efforts to please God, they are required by Scripture to work for racial harmony.

In Denver, the charismatic 12,000-member Heritage Christian Center, which was almost all white at the end of the 1980s, is today 50% African-American. Last November, eight black churches and five white congregations in Tupelo, Miss., held a joint revival on fighting racism. In 1995, the traditionally white National Association of Evangelicals — comprising 35,000 congregations — formally asked the National Black Association of Evangelicals to forgive its past racism.

begged forgiveness for the past racism of 'We Gave Up'

The sudden rise in conservative activism on race coincides with a marked decline in the energy of many congregations in traditional liberal denominations, such as Presbyterians and Episcopalians, in pursuing the same issues. While the denominations maintain strong policies advocating racial equality, some congregations where civil-rights fervor once burned hot have been demoralized, theologians say, by a perception that past efforts accomplished little.

"The liberals thought we could march around and pass a few laws and racism would go away. When it didn't, we gave up," says the Rev. Nibs Stroupe, pastor of Atlanta's Oakhurst Presbyterian, one of the small percentage of significantly integrated liberal congregations.

Of course, skeptics abound both on the left and the right, warning that the new interest in race may be even less firmly rooted among conservatives than among liberals. Thus far, the movement has indeed been much wider than it is deep. While hundreds of thousands of evangelical Christians have participated in multi-racial pulpits exchanges, church socials, religious conferences and revivals, the conservative congregations — like those of liberal denominations — remain for the most part starkly segregated.

Younger Leaders

That may be changing. For the reconciliation movement is occurring at the nexus of two powerful currents in society: the explosion of evangelical churches and the maturing of conservatives who came of age after the end of segregation.

But evangelicals believe something much more profound than social evolution is occurring. They say racial reconciliation is, simply put, stirred by the hand of God. "The Holy Spirit is speaking to this generation," says the Rev. Rick Snow, the white pastor of suburban Atlanta Christian Center. "Men of God and women of God [must] stand up and say, 'This is wrong. This is racism. This is sin. Call it for what it is.'"

The movement is all the more remarkable because the churches today embracing racial reconciliation descend from a religious lineage that in many cases endorsed slavery a century ago, fiercely

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Complicated Issues

That perspective could be the movement's Achilles' heel, say liberal and conservative activists. "The real test of the evangelicals will be when the complicated issues, like poor people, come up," says Oakhurst Presbyterian's Mr. Stroupe. Sojourner's Mr. Wallis adds: It must be more, "than standing around the campfire singing Kumbaya to each other."

It is that — or worse — that Zack Lyde sees in the glow around First Baptist and other white churches now talking about race back in Brunswick, a humid colonial harbor town of 18,000, where Spanish moss droops from the massive live oaks outside the county courthouse.

It "is no different than when the slave-master had the slave in the church so he could teach him . . . of the duty to obey

him, of acceptance of the condition of bondage," contends Mr. Lyde, a local

Continued From First Page

resisted the civil-rights movement and in the recent past showed a profound lack of interest in issues of race. As recently as the 1960s, church historians say, leaders in the Southern Baptist Convention, the nation's largest Protestant denomination, openly argued that the Bible ordained separation of the races and the Jim Crow laws that enforced it in the South.

"White conservative evangelicalism was wrong on race — absolutely, painfully and deeply and very unbiblically," says Jim Wallis of the Washington-based evangelical group Sojourners. "It's the thing white evangelicalism has been most wrong about."

But the generation of pastors and deacons who at times physically barred the doors of lily-white churches against African-Americans in the 1960s is passing away. Taking their place are forty-something church leaders energized by a new wave of conservative Christian evangelism, which seeks to win followers both from nonbelievers and from other branches of Christianity. For them, the impetus for eradicating race problems isn't politics. It is spreading their interpretation of the Gospel to anyone who will listen, black or white.

"A lot of what we are seeing today is due in part to a kind of changing of the guard," says the Rev. John Connell, First Baptist's 43-year-old pastor. "The church leadership we grew up with had a different attitude. . . . Why they weren't open to it 30 or 40 years ago was more cultural than biblical. To us, race isn't an issue."

"Conservative Christians have moved beyond all that," Mr. Connell adds. "This has more to do with evangelism and salvation than social issues."

Conservative Values

The origins of the reconciliation movement appear to trace back to independent churches, such as Mr. Snow's, formed outside the mainstream denominations in the 1970s and early 1980s, whose followers fused rigid moral positions with Age-of-Aquarius notions of human harmony.

Atlanta Christian Center, for example, was founded on Independence Day in 1976 by a few members sent to proselytize by an

during the telephone campaign, she is convinced that First Baptist's reconciliation talk is for real. The Shecutts have decided to join there.

"I know for a fact that everybody probably won't like it," Ms. Shecutt says. "But I'm not going there for them. It's personal, between me and God."

THE WALL STREET JOURNAL

MONDAY, JUNE 23, 1997

Just warming up

Higher gas taxes. A new fee on vehicle emissions tests. Smaller, more dangerous cars. It may sound like a nightmare, but it could be worse. It could be public policy.

It didn't get much media play when it happened, but late last year the House Commerce Committee released leaked administration documents that showed what measures the Environmental Protection Agency might take to reduce the dreaded global warming. According to a May 1994 memo from the agency's Office of Policy, Planning and Evaluation, its "Climate Change Action Plan" included mandates for small, fuel-efficient cars, a 50-cent-per-gallon increase in the price of gasoline and a new fee on vehicle emissions tests of \$40 per person and more. Worse, the agency went on to argue that it could impose all these measures through statutory loopholes; no legislation was necessary.

Given the political implications of the memo, you can understand why for two years the agency stonewalled committee requests for it. Administration officials dismissed the proposals as nothing more than, well, proposals.

Still, it's important to keep them in mind in view of the president's newfound enthusiasm for "doing something" about climate change. Last week he detailed his agenda leading up to the Kyoto climate change talks in December and cited "significant changes in climatic patterns in the last decade," major floods and rising sea levels. Somebody has to do something.

If "you let the sea level rise and we flood the southern coast of Florida and we flood the southern coast of Louisiana, and we otherwise disrupt what life in the United States is like over the next 50 years," he said, "then your children will pay the price for our neglect." A panel of over 2,500 scientists has concluded that the climate of the Earth is

"significantly warming," he said.

If he is talking about the United Nations-sponsored Intergovernmental Panel on Climate Change, it said no such thing. What it said was the balance of evidence suggests that there is a discernable influence on global climate. There are enough hedges in that sentence alone to build a formal garden.

In fact, as Richard Kerr reported in Science back in May, many climate experts say it isn't at all clear human activities have begun to warm the Earth or how much warming will occur if they do. The problem is that there simply isn't a computer powerful enough to model all the complexities involved in Earth's weather patterns and make a prediction about whether it's going to be warmer 300 years hence.

"Climate modelers have been 'cheating' for so long it's almost become respectable. . . . So climate modelers have gotten in the habit of fiddling with fudge factors, so-called 'flux adjustments,' until the models get it right," he reports. The less they cheat, the less warmth the models predict. It may be decades before scientists really know.

Two other recent findings are worth noting. In July, Science reported that based on an analysis of trends in worldwide temperatures, climate change may reveal itself as warming at night. There is no sign that days are warming. Second, a study in the journal Tellus this year reported that a climate model with double the existing levels of greenhouse gases predicted weaker, not stronger storms. So President Clinton's talk of impending weather extremes is decidedly premature.

All of which brings us back to the EPA proposals to offset climate doom. Mr. Clinton talks about the cost of not doing something about global warming. But there is another side to the equation. What is the cost of doing something about nothing?

The Washington Times
MONDAY, SEPTEMBER 15, 1997

PHOTOCOPY
PRESERVATION

Clinton Hones Sales Pitch On Global Warming Pact

SATURDAY, OCTOBER 4, 1997

Experts to Gather for Meeting in Washington

By JOHN H. CUSHMAN Jr.

WASHINGTON, Oct. 3 — As it seeks a new treaty to fight the threat of global warming, the Clinton Administration has turned marketing on its head: first comes the sales pitch, and later the product will be unveiled.

Call it publicity or call it education, the results of the campaign that is now reaching full boil could profoundly affect the proposal for controlling climate change that the Administration takes to Kyoto, Japan, in December. There, the nations will try to agree on a binding treaty to limit emissions of heat-trapping gases like carbon dioxide, which comes mostly from burning fossil fuels.

The Administration wants to broaden its public support before its negotiators present specific targets and timetables for greenhouse gas emissions. The proposals will probably not be the steep and urgent cuts supported by American environmentalists and some foreign nations, but at least a meaningful first step toward someday stabilizing the levels of greenhouse gases that have been relentlessly building up in the atmosphere.

It's a tough sell.

"If anybody tells you this is not a tough issue, they are lying," said Todd Stern, a senior White House aide who is coordinating climate policy. "We have to put together options for the President that are economically viable, that are environmentally viable, and that are politically viable — both in the international and domestic context."

"We have to stand on the rooftops and scream, because there are those who have a vested interest in not seeing action on climate change," said Kathleen A. McGinty, the chairwoman of the Council on Environ-

party politics, I mean political in how the body politic, how our society responds to this."

He also said: "Right now, while the scientists see the train coming through the tunnel, most Americans haven't heard the whistle blowing. They don't sense that it's out there as a big issue. And I really believe as President, you know, one of my most important jobs is to tell the American people what the big issues are that we have to deal with."

To counter the Administration, its critics have mounted a \$13 million advertising campaign contending that a treaty binding industrial nations to deep cuts in energy use would be unfair because it would not make the same demands on developing countries. And, they argue, such a treaty would damage the United States economy by imposing energy taxes or other punitive costs on companies that burn fossil fuels.

For its own sales pitch, the White House is deploying many tools of a classic political campaign: stump speeches and photo opportunities, the carefully staged meetings, alliances with advocacy groups, and the nearly daily events, like the meeting with the meteorologists, aimed at reaping free media coverage.

The campaign began shortly after President Clinton, under pressure from environmentalists and European nations to act more aggressively, told the United Nations in June that he would marshal American public support for a treaty.

He assigned Mr. Stern, an experienced White House aide, as a temporary climate "czar" to coordinate the Administration's efforts. Mr. Stern brought additional staff from other agencies to help out, and began laying the groundwork for Monday's high-profile public meeting.

President Clinton and Vice President Al Gore also met with small groups of sympathetic business leaders, scientists and environmental advocates.

Cabinet members hit the hustings, giving dozens of speeches to push the Administration's cause.

On Tuesday, for example, Interior Secretary Bruce Babbitt told the Union of Concerned Scientists, which supports controls on greenhouse gas emissions, that success in the cause



Promise Keepers Keep Promises

Members of Promise Keepers, the evangelical organization sponsoring a rally at the Washington Convention Center today, scraped and painted a

Battle Loomed in

By NEIL A. LEWIS

WASHINGTON, Oct. 3 — When Nestlé USA announced this week that it was pulling from shelves a product called "Nestlé Magic" in the face of complaints that it was dangerous for children, a coalition of food safety advocates and their lobbyists claimed victory.

But the biggest winner was M&M/Mars, a competing candy giant that had quietly agreed to subsidize much of the lobbying campaign against Nestlé. Mars had argued that the product, a toy-candy combination, vi-

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mental Quality, referring to powerful opposition to a treaty, led by energy-intensive industries and their labor unions.

Ms. McGinty said the Administration hoped to present details of the United States proposal when international negotiators next met in Bonn later this month.

But even before those details are known, the campaign to build support for it comes to a climax of sorts on Monday when carefully selected greenhouse experts assemble at Georgetown University for a daylong conference.

The meeting is half a conventional policy seminar where ecologists, economists and lobbyists can have their say. But it also resembles a political convention, a chance to put Mr. Clinton and Mr. Gore in the best possible light as they take on a knotty political problem.

"What I want to do is to deal with the central political problem here," Mr. Clinton told a group of television weather forecasters on Wednesday. "I don't mean political in terms of

from environmentalists and European nations to act more aggressively, told the United Nations in June that he would marshal American public support for a treaty.

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On Tuesday, for example, Interior Secretary Bruce Babbitt told the Union of Concerned Scientists, which supports controls on greenhouse gas emissions, that success in the cause "depends on all of us, together, taking up the burden of advocacy."

Indeed, environmental advocacy groups have been working strenuously to influence the press and the public, to mobilize their millions of members, and to persuade the Clinton Administration to call for deeper, faster cuts in greenhouse gas emissions. The scientists' group issued a call by about 1,500 scientists, including 102 Nobel laureates, more than half of all the living laureates in the sciences, urging significant cuts by industrial nations in the next few years, followed eventually by limits on the developing world. The statement called global warming "one of the most serious threats to the planet and to future generations."

In a poll conducted in August, before the industry's ad campaign began to air, about three-quarters of registered voters surveyed said they believe that global warming is a serious problem and that a treaty with deep cuts in emissions is needed. The Mellman Group Inc. conducted the poll for the World Wildlife Fund.

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But the biggest winner was M&M/Mars, a competing candy giant that had quietly agreed to subsidize much of the lobbying campaign against Nestlé. Mars had argued that the product, a toy-candy combination, violated the Food and Drug Safety Act of 1938 and the entire candy industry would suffer if any child was hurt by Nestlé Magic.

But it appears that Mars began its efforts against Nestlé just after it tried and failed to bring a product to market that was similar in some ways to Nestlé Magic.

Officials who were involved directly in the aborted efforts to market a toy-candy combination said that Mars had been hoping to sell an item called Treasure X, which consisted of a box that contained both a chocolate bar and a hard toy.

Mars sells a similar product in Australia and New Zealand called Lucky Dip.

Company officials today said that there were crucial differences between those products and Nestlé Magic. But Attorney General Richard Blumenthal of Connecticut, who campaigned against the Nestlé product, said the Mars product raised many of the same concerns as did Nestlé Magic.

PHOTOCOPY
PRESERVATION

A Warm Climate Prevails as Experts Study Ecological Problems

By JOHN H. CUSHMAN Jr.

WASHINGTON, Oct. 6 — President Clinton today convened a day-long conference on climate change that produced a series of optimistic discussions about harnessing technology, ingenuity and the entrepreneurial spirit to save the planet from global warming.

Mr. Clinton peppered experts with questions and ruminated aloud on how to prod the most energy-intensive economy in the world to break its addiction to fossil fuels, and how to negotiate a treaty by the end of the year that will bind the rest of the

world to do the same. Vice President Al Gore and Cabinet members were on hand, and the balcony at Georgetown University was packed with appreciative students from Mr. Clinton's alma mater.

There was almost no talk of energy taxes, heavy-handed regulations or other unpopular measures to make swift, deep reductions in the use of energy and the emissions of carbon dioxide and other gases that trap heat in the atmosphere and threaten widespread ecological damage in the next century.

Instead, Transportation Secretary

Federico F. Peña held up solar roofing tiles and said they are on the verge of economic feasibility. Mary Good, an investor who is a former Administration official, spoke of the potential to grow algae and convert it into clean fuel. And Tom Casten, president of Trigen Energy Corporation, said that the deregulation of the utility industry would help double the efficiency of electricity plants.

E. Linn Draper, president of American Electric Power, a major utility company, said Americans would be more likely to invest in energy conservation if the Adminis-

tration would create a system of pollution-permits trading to encourage cost-effective reductions in emissions.

Fred Krupp, executive director of the Environmental Defense Fund, an advocacy group that favors market-based incentives to reduce pollution, said that greenhouse gas emissions could be brought below 1990 levels by 2005. The Administration has been leaning toward establishing a less-ambitious target, with emissions leveling off at 1990 levels by 2010.

Only at the end of the day, after Mr. Clinton left, did a panel of econo-

mists inject a somewhat somber tone to the proceedings, saying that it would not be possible to achieve the energy use so deeply.

"As I listen to all this, I am concerned that we are greatly underestimating the size and complexity of the undertaking," said William Nordhaus, a professor of economics at Yale University. "We are going to introduce these technologies unless we increase the price of energy."

Deputy Treasury Secretary Lawrence Summers, one of the most influential economic advisers, was also counseling caution as the conference debates its next steps. "The question is not whether we should do it, but whether we can do it without causing more harm than good," he said.

Prevails as Experts Study Ecological Problems

to do the same. Vice President Gore and Cabinet members were in the balcony at George Washington University was packed with attentive students from Mr. Clinton's alma mater.

There was almost no talk of energy, heavy-handed regulations or unpopular measures to bring about swift, deep reductions in the use of energy and the emissions of carbon dioxide and other gases that contribute to global warming and widespread ecological damage in the next century.

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Only at the end of the day, after Mr. Clinton left, did a panel of econo-

mists inject a somewhat more dismal tone to the proceedings, warning that it would not be painless to cut energy use so deeply.

"As I listen to all this, I am concerned that we are greatly underestimating the size and complexity of the undertaking," said William Nordhaus, a professor of economics at Yale University. "We are not going to introduce these wondrous technologies unless we increase the cost of energy."

Deputy Treasury Secretary Lawrence Summers, one of Mr. Clinton's economic advisers who has been counseling caution as the Administration debates its negotiating position, was more sanguine in public. "The question is not whether we can

respond effectively to this threat," he said. "We can and I believe we must."

Mr. Clinton encouraged the attendees to accentuate the positive as they discussed what is described as a serious global problem.

But Mr. Clinton seemingly recognizes that there is no easy solution to the steady growth of greenhouse gas emissions.

Groping for alternative policies that would encourage consumers to buy energy-saving products, he mentioned four alternatives: raising the price of energy, lowering the price of new technologies, creating market-based incentives for people to invest in saving fuel, or increasing the public's awareness of the problem.

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Clinton Rebuffs Europeans on Cuts in 'Greenhouse Gases'

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tion in greenhouse gases by 2010. Even as Clinton applauded the group for "its strong focus on this issue," his aides dismissed that proposal as unrealistic and vowed Clinton had no intention of announcing targets until he was certain they were attainable. This skepticism about the European position is shared even by some environmentalists pressing Clinton to be more specific.

Clinton did promise he would produce an "American commitment to realistic and binding limits" on greenhouse gases in time for an international conference this December in Kyoto, Japan.

Environmental groups applauded Clinton's strong words on global warming but some condemned his lack of specific targets for cutting greenhouse

gas emissions. The version of the speech the president delivered omitted a reference in the written text to a vague goal of eventually reducing pollution below 1990 levels.

Responding to that omission as well as reported U.S. attempts to block a strongly worded statement on climate change at the conclusion of the Earth Summit, Kevin Dunion of Friends of the Earth said, "That kind of hypocrisy makes us believe quite frankly that the Americans will not arrive in Kyoto with real, binding targets."

Environmentalists also were skeptical of the "Million Solar Roofs" program. "A million solar roofs—that's mom's apple pie," said Michael Oppenheimer, a scientist for the Environmental Defense Fund. "I can't say it doesn't sound good. But it doesn't get the job done." Critics

on the president's right were no more charitable. "I am particularly concerned that the draft treaty now under discussion imposes mandatory restrictions on the United States but only recommendations for emerging industrial powers," said Rep. Benjamin A. Gilman (R-N.Y.), chairman of the House International Relations Committee.

But some business leaders said the president took a sensible approach. "He resisted the temptation to use this highly public event to unveil Draconian measures that would be harmful to our economy and harmful to the American people," said Gail McDonald, president of the Global Climate Coalition, an organization of business trade groups.

Business groups have lobbied the administration in recent weeks, arguing the kinds of pollution cuts urged by the

Europeans are unrealistic and would wreck the American economy. But other analysts disagree.

Some European governments, notably Germany and Britain, have achieved dramatic reductions in emissions of carbon dioxide in the past decade, though both countries benefited from special circumstances. Britain, for example, began relying more heavily on cleaner natural gas instead of coal.

A wide range of U.S. scientists and economists agree that the United States could achieve similar reductions, although they differ on the economic consequences. One recent analysis predicted the country could save \$58 billion in energy costs and generate nearly 800,000 net new jobs by converting to cleaner, renewable energy sources.

The administration has long sided

with advocates who believe scientific evidence suggesting a link between pollution and global warming. But it was the president's most forthright comment yet that the debate is over. Science is clear and compelling: humans are changing the globe, he said. "Concentrations of greenhouse gases in the atmosphere are at the highest level in more than 200,000 years and climbing sharply."

Clinton painted a dire picture of the century in which 9,000 square miles of coastal areas in Florida, Louisiana and other states would be flooded as sea levels rise two feet or more. Seven percent of Bangladesh, he said, would be under water.

Five years ago in Rio de Janeiro, at a world conference on the environment, set goals for reducing emissions that they went largely unmet. Administration officials have said this experience urged the administration to press for binding targets as well as for a treaty

Europeans on Cuts in 'Greenhouse Gases'

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Responding to that omission as well as to the U.S. attempts to block a treaty, Clinton issued a worded statement on climate change at the conclusion of the Earth Summit in Kyoto. Kevin Dunton of Friends of the Earth said, "That kind of hypocrisy is what we believe quite frankly that the world will not arrive in Kyoto with binding targets."

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Clinton painted a dire picture of a 21st century in which 9,000 square miles of coastal areas in Florida, Louisiana and other states would be flooded as ocean levels rise two feet or more. Seventeen percent of Bangladesh, he said, would be under water.

Five years ago in Rio de Janeiro, a world conference on the environment set goals for reducing emissions but they went largely unmet. Administration officials have said this experience has led the administration to press for legally binding targets as well as for a treaty that

includes developing nations. China, for instance, is already second to the United States in producing greenhouse gases.

But many developing nations fear limits would stunt economic growth. To address this concern, Clinton said the United States would direct about \$1 billion in international aid money to developing countries for clean-air energy products. Also, he said the Overseas Private Investment Corp. would insist on projects that it funds meet environmental standards.

Clinton said the Energy Department would encourage solar roofs through subsidized loans and efforts to reduce "market barriers" and stimulate consumer demand.

This fall, Clinton also will host a White House Conference on Climate Change where aides said he would try to forge a consensus among scientists, and business leaders about what the U.S. position in Kyoto should be.

Clinton Rebuffs Europeans On Cutting Global Warming

At U.N., President Declines to Set Targets

By John F. Harris and Joby Warrick
Washington Post Staff Writers

UNITED NATIONS, June 26—President Clinton tonight warned human activity is dangerously increasing the Earth's temperature, but he rebuffed appeals by European leaders that he offer a specific target for reducing "greenhouse gases" in the next decade.

A day after he cheered environmentalists by unveiling tough regulations to reduce urban smog, he angered many of the same advocates by dodging the issue of how much and how fast to reduce gas emissions under global treaty negotiations to be concluded in December.

Clinton, speaking to a special session of the U.N. General Assembly,

acknowledged the United States produces 20 percent of greenhouse gases—more than any other country—even though it has just 4 percent of the population.

And he offered a number of pledges, including a promise to mobilize U.S. public opinion behind legally binding global goals for reducing emissions and a proposal to install a million solar roofs in the United States by 2010.

But Clinton hedged on the critical question of specific pollution targets for greenhouse gases—excess carbon dioxide produced by factory smokestacks and automobile exhaust pipes.

The European Union has proposed requiring a 15 percent reduc-

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■ Clinton to visit Poland, Romania following NATO talks in July. Page A14

***FRANKEL_J@CEA_2**
Tuesday October 14, 1997

(R1)

Nobel Prize in Ec.
announced ("11:30
a.m. at earliest")

8:00a
8:30a WH SR STF MTG
9:00a
9:30a CEA Staff Mtg
10:00a
10:30a INTERNATIONAL CLUSTER
MEETING
11:00a
11:30a NEC Climate Change Oversight
Grp Mtg, 2nd Flr, WW
12:00p

THAT 4 PAMS of 2004

1. Sci balance
2. Bindg & realistic targets
3. Flex. dom. & mt.
4. LOGS

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