FIFTH ANNUAL GLOBAL FORUM
OF THE CARBON DISCLOSURE PROJECT

2007 RESULTS LAUNCH

ADDRESS OF PRESIDENT BILL CLINTON
(Keynote Speaker)

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MR. FORD: Good morning. Thank you, Mr. Cameron, for not only your kind words and for your incredible filibustering efforts as well and talent as well.

We at Merrill Lynch are delighted that all of you are here this morning. We are particularly excited about welcoming this Fifth Global Forum of the Carbon Disclosure Project, and proud to say that we have been partners with CDP now since 2002 and even prouder of our role this year, not because we want a pat on the back but because we recognize that all of us have enormous responsibilities not only to ourselves today but to future generations of employees here at this company and citizens around the globe to ensure that we tackle the issue of climate change in not only a serious way, but by a sustained way. Our collaboration with CDP in so many ways is just a natural fit. Climate change, as
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all of us know, not only will but should
dominate agendas of world leaders,
certainly for the first part of the 21st
Century and it's my hope that our kids and
grandkids will look back and be thankful in
the second half, appreciative and be
beneficiaries of all of our work. This
issue demands not just national attention
or America's attention, but international
attention. It's an issue that impacts
business, government, economies and for
that matter the very future of our planet.
It's imperative that Merrill Lynch and all
of our peers throughout this great industry
examine how our actions today will impact
the environment today and tomorrow. We are
looking forward to hearing the results of
the survey later on in the program, so
let's get started.

We are delighted to have as our
keynote speaker today someone who not only
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talks a good game about climate change, but someone who practices it now and back in his other professional life did a pretty good job at ensuring that climate change got a fair hearing and that efforts were made to not only clean up the environment today, but do right by us tomorrow.

President Bill Clinton not only led a great period of economic prosperity and growth in the country, but he did it while maintaining a commitment to future generations of Americans and citizens around the globe and challenging all of us to do our individual and collective part in ensuring that the environment we leave for our kids and grandkids is one we can all be proud of. He adopted the strongest air pollution standards ever in the US, treaty provisions to safeguard water, air, land and other US environmental interests, and provided leadership and negotiation of
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the Kyoto Protocol, an agreement between
160 nations to curb greenhouse gas
emissions. When his term in office was
over, he looked, as he often did, to the
example of many great leaders before him,
including John Kennedy, for guidance on
what to do next, urging all Americans to
join him in what he saw as a great
adventure. President Kennedy once said,
"The new frontier of which I speak is not a
set of promises, it is a set of challenges.
It sums up not what I intend to offer the
American people, but what I intend to ask
of them." President Clinton took Kennedy's
new frontier and expanded it globally.
Establishing the William J. Clinton
Foundation, he embraced a new life
dedicated to global humanitarianism.
Through the Foundation, he called on world
citizens to join him in the fight against
HIV/AIDS, poverty, religious and ethnic
conflict, and for hope in promoting
fairness and opportunity here at home and
abroad.

That these of tackling the
world's greatest challenges carries over
into his latest book, "Giving: How Each of
Us Can Change the World." As the title
implies, the book explores how every person
has the power to change lives for the
better. Last year he launched a Clinton
Foundation's Climate Initiative to explore
the best ways to fight the build-up of
greenhouse gases. And this spring he
brought mayors, business leaders and
environmental officials from 45 cities
together for the C-40 Large Cities Climate
Summit right here in Manhattan. The
non-partisan forum looked at what actions
are necessary to curb carbon gas emissions
in the world's largest cities. And if all
that were not enough to put him in the
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history books, he may also become the
first-ever First Lady or whatever it is he
says he may become.

It gives me great pleasure to
present a President, a man who not only
talks about climate change and understands
the economic opportunities associated with
it, but is doing all he can individually in
pulling us all together to make a
difference at home and around the world.

Ladies and gentlemen, the
President of the United States.

(Applause.)

PRESIDENT CLINTON: Thank you.

Thank you very much, Harold. I'm delighted
to be here at Merrill Lynch, and I thank
Greg Fleming as well as James Cameron and
Paul Dixon, the Chairman/CEO of the Carbon
Disclosure Project. I want to congratulate
you all in making it here while the U.N. is
in session. You doubtless emitted more
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greenhouse gas emissions, but you probably
deserve a Purple Heart. I'm delighted to
see you and I'm glad to be here.

I want to begin just by thanking
Merrill Lynch for its leadership in the
Carbon Disclosure Project. We now have
well over 300 investors participating in
this, accounting for some $41 trillion in
asset, which is roughly three times plus
the GDP of the United States, and it's a
good start. Sixty percent of the S&P 500
companies here are participating, up from
about 47 percent last year. That's a good
start. And I'd like to begin by saying why
I think this is so important.

I think climate change poses an
existential challenge to the world. I know
that some people disagree. I just read
that Mr. Lombard's book, "Cool It," he says
I should cool it, it's not that big a deal
and it probably won't happen. And I sort
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of buy Warren Buffett's analysis of that.

He said, "You know, if you take off in a
spaceship on the way to the moon, and just
as you get out of earth's atmosphere, you
are told, well, you're going to run out of
fuel somewhere between 5,000 and 250
thousand miles from here, I'd turn back
right now." But I think it is unrealistic
for us to believe that the wealthy
countries of the world will do this if they
believe it will have a significant negative
impact on economic growth and completely
unrealistic for us to believe that China,
India, Vietnam and the other emerging
economies are going to do it if they think
it will have any negative impact on
economic growth. I think the evidence of
this decade is clear that if we organize
properly, addressing the problem of climate
change will provide for wealthy countries
the biggest economic boom since we
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mobilized for World War II; and for
developing countries, a way to develop even
more rapidly in a way that will spread the
benefits of economic growth more widely
than they would otherwise be spread through
the ordinary expansion of trade and
investment. That's what I believe. The
problem is, I can't prove it except with a
couple of examples because we don't have
the systems in place to know what the
problem is, to know what the progress is,
to maximize the likelihood of the best
outcome. This is a vast, uncharted area
which is underorganized, undercapitalized,
where consumers, both businesses and end
consumers have imperfect, to be kind,
imperfect levels of knowledge about what
their options are and what the impacts are.
That's why this Carbon Disclosure Project
is so important, and why the whole private
sector endeavor is so important. You've
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got oil over $70, most of what we need to
do is economical right now, if we were
properly organized, financed, and there was
sufficient market knowledge of what the
real options are. So I want to talk about
that a little bit in that context.

There are many ways that people
in the private sector can have a positive
impact on public problems and, as Harold
said, I just wrote a book to try to
convince people that however much money
they have or don't have, however much time
they have or don't have, they can
participate in this exploding
non-governmental movement around the world.
I don't think it's a substitute for good
government policy or a strong private
sector, but it is essential. From the
beginning, every democracy sooner or later
realizes that it cannot function with
maximum efficiency unless you have good
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business, good government and a strong civil society. And the fundamental problem with the global economy today is not what a lot of people -- frankly a lot of my friends -- believe, which is that there's too much trade. The fundamental problem is we have a global economic policy. We have trade. We have a global financial market; we don't have any global social policy and we don't have a global civil society movement and a global sense of government policy sufficiently strong to do what is done within national borders.

So let me get back to the climate change thing. What are we to make of the fact that last year at my global initiative which starts Wednesday, we have people come together and make commitments to solve public problems as private citizens?

Almost every one of the commitments in the climate change area are actually good
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business that I believe will probably make
a profit for the people making the
commitment. Does that make it a bad thing?
No, that makes it a good thing. Think how
many fewer problems society would have if
all social problems could be solved with a
profitable solution. Just look at the
Wal-Mart experience in the last few years.
They cut packaging a mere five percent, and
it's going to save their supply chain three
and a half billion dollars, and it has the
impact of taking 210 thousand diesel trucks
off the road that only get six miles to the
gallon. The Congress is now considering
banning incandescent light bulbs, a
technology that hasn't changed in a hundred
years; it's more or less five percent
efficient. If we all just went to compact
fluorescent bulbs over the next decade, and
they will soon be replaced by LED lighting,
but if we just did that, in the United
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States alone, it would obviate the need for 80 coal-fired power plants at standard size. That's a stunning fact. And it will create a lot of jobs. You've got to make the bulb. You've got to distribute them. You've got to sell them. It would be a good deal, and we need to analyze that from this perspective. The only evidence I have to prove that this is good economics is anecdotal, because nobody has done enough comprehensive study and we don't have enough scorekeepers. Again, that's why the Carbon Disclosure Project is important.

But in this decade, consider the comparative experience of the United States, Denmark and Great Britain. In this decade we have had now six years of economic growth, a 40-year high in corporate profits. We have six years of increasing worker productivity, and despite our little subprime blip, all-time high in
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the stock market, which we seem to be resuming now. And yet median wages are stagnant against inflation, and there has been a four percent increase in the number of people working full-time falling below the poverty line, and an increase of about the same in the number of families with full-time workers losing their health care. Over half of all the bankruptcies in the United States in this decade have been caused by health care crises. So you can readily see, if you're just some person getting up going to work, the global economy doesn't look like such a hot deal to you. You keep reading about how great the stock market is, how high corporate profits are, and next quarter they're going to be better, and you don't get any benefit from it. And the same thing can be said in multiples if you are a Bolivian miner, which is why you'd want to vote for Hugo
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Morales for president, or Mr. Correa in Ecuador, or anybody else who tells you I'll give you a bigger piece of the pie. Now, that is the background. So the anti-global warming action crowd, the people that don't think we need to do anything, say, you want to take this mess and make it even worse by imposing these horrible burdens? But in fact, since energy is the core of all economic and social activity, it is a phenomenal opportunity.

Compare the performance of the United States with tiny Denmark, which grew its economy 50 percent with zero increase in energy, not one watt more of electricity, not one barrel more of oil; and simultaneously while growing its economy 50 percent, reduced its greenhouse gas emissions by shifting even more electricity production to wind. Twenty-two percent of its electricity now comes from
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wind. So what was the result? Unlike the United States, they have about the same unemployment we do. They have a center-right government operating on an economic policy they call flex security. They have rising median wages and declining inequality.

Or take the UK, a country more like America, lots of immigrants, growing population because it's more open to immigration than a lot of European countries, unemployment rate slightly higher than ours. But they have rising median incomes and no increase in inequality in this decade, in spite of having all the immigrants come in and the disruptions of the terrorist problem that they had and all these other problems. Why? Because when we said, the United States, we're going to walk away from the Kyoto targets because it would end
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civilization as we know it. The free enterprise system will collapse if we have to stop choking our people and compromising our children's future. They said, well, we kind of like Kyoto, but it's actually kind of a wussy agreement. It's a little weak, and we believe we'll beat it. And last year before he became prime minister, Gordon Brown issued two reports, one showing how many jobs by category had been created in the United Kingdom because they were committed to meeting their Kyoto targets, and the other showing how many jobs by category they were going to create because they were going to go beyond this. And underneath all this climate change talk, there is a fundamental economic lesson which you can see in the United States in the 90's, where for the last six years of my presidency, we had for the first time in 20 long years, we've had
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stagnant median wages for 20 years from the
beginning of the international financial
system when America went off the gold
standard in the 70's. We had stagnant
wages until the last six years of my
presidency. And why did it happen? I'd
like to tell you it was because Bob Ruben
and I were geniuses. But alas, that
doesn't quite cover it.

The real reason is that in my
term of office, information technology jobs
broke out of the dot-com companies in
Silicon Valley and the video game companies
in Texas and swept through every aspect of
the American economy. You can't run a
dry-cleaning operation the way you ran it
10 years ago. There is nothing that is
done the same way. It was eight percent of
total employment, 28 percent of our job
growth, 43 percent of our income growth.

It's not hard to figure how we got rising
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median wages and declining inequality.

If you want to run a big country
with a high standard of living and maintain
a middle-class lifestyle and continue to
give poor people a chance to work their way
into it, there must be a source of good new
jobs every five to eight years in an open
economy. And you can repeal all the trade
deals you want. Unless you're going to
make it illegal for people to move their
money around or illegal to buy something
from some other country, you cannot
maintain a growing economy with rising
median wages over any significant length of
time unless there is a source of good new
jobs every five to eight years.

So it happens that this historic
challenge we're facing from climate change
is this decade's source of good new jobs
for rich countries, and foolishly, the
United States passed it up. That's why
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Europe has 13 million jobs and we have I think eight since 2002, and probably net six and-a-half in this decade, because we walked away from the only low-hanging fruit. So I want to set that up that way. I also believe that because a lot of this work is inherently labor-intensive, oriented toward small business and evenly distributed, it is a phenomenal opportunity to more rapidly develop poor countries, not to slow them down.

I can just give you one example. I worked in Rwanda with a major development project and a major AIDS project. Sixty-five percent of the country is electrified. Because of the genocide and all the problems thereafter, the per capita income is still hovering around a dollar a day. I will be astonished, because it's a well-run country with a lot of people interested in it, if it doesn't
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double in virtually no time and triple
shortly after that.

But the question is what to do
with the other 35 percent. What is the
most economical thing? Should they all be
hooked into the power grid or should we
instead take the other third and use solar
power and wind power and immediately put
them in to a more modern economic
circumstance? And isn't it possible that
ergy will be like cell phones in the
coming decade, and that decentralized
energy, at least for many purposes, will
become both more cost-effective and more
economically profitable for the country as
a whole?

There was just a study issued
that was making its rounds on Wall Street I
saw the other day that my daughter and one
of her friends showed me, that said that if
the United States -- forget about clean
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energy -- if the United States, China, India and Russia were simply to achieve the
energy efficiency levels of Japan, that alone would lower greenhouse gas emissions
20 percent over the next several years.

I say all this to point out, we can't do any of this unless we have
systems, and we have to be willing to keep score and then we have to think of system
ways to create the framework which makes this course helpful both in developed and
developing countries. Because make no mistake about it, the general consensus is
that we have got to cut greenhouse gas emissions about 60 percent by 2050. Now,
that's in 43 years. Now, how in the wide world are we going to do that? Greenhouse
gas emissions except for methane and to some extent even foremethane is a crisis
spawned by prosperity still rooted in the old industrial model of how you use energy.
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And we all know China and India will soon surpass the United States in their emissions because of their prosperity, something none of us would deny them, something the world should applaud. And we know that Vietnam is growing very rapidly and there are any number of countries coming along behind it that are really doing well.

To complicate the problem, the world population is projected to grow from six and-a-half-billion to nine million in the same 43-year period we're supposed to cut greenhouse gas emissions by 60 percent. And if you just think of that for a minute, I just was on my annual trip to Africa, and after I did my work I spent a day in the Ngorongoro Crater in Tanzania, which doubtless a lot of you have been to, and we know that humanity began somewhere in that vicinity, our species roughly 150 thousand
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years ago. And think about it, people wandered around in Africa for 90 thousand years and then they started wandering other places, and the oceans were 300 feet shallower, so people made simple boats and went to Australia about 40 thousand years ago, and about 15 thousand years ago they crossed the then land bridge across the north from what is now Russia and Canada and gotten all the way to the south part of the South America; and by 10,000 years ago there was at least one city in Jericho, we know from carbon dating, and 8,000 years ago there were civilizations in Iraq, in China, in Egypt, in Mexico and Peru, and a couple of hundred years after that in India. And sort of more or less everything we've been doing since is a variation on a theme. So it took us 150 thousand years to go from one person to six and-a-half billion, and we're going to go from six and-
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a-half to nine in 43 years. And most of
those people are going to be born in
countries not presently able to support
their current populations which gives a
certain quaint air to the recent illegal
immigration debate in the Congress. All
those people who think it's the end of the
world, you know, honestly, I hope, well,
for moral reasons too, but for wry
political reasons, I hope they all live
another 30 years and they will be begging
for 2007. It will look like a Sunday
afternoon picnic.

The point is this is a formidable
challenge, and you will not get democratic
political systems or non-democratic ones
that still rest on public opinion to
embrace it unless you can prove it is a
matter of salvation and economically
sustainable. That's where you come in and
people like me come in. Harold mentioned
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that I agreed to work with a group that's now calling itself the C-40, it's 40 big cities on five continents and several associate cities in the United States that includes New Orleans, Philadelphia and others, to try to find economical ways for them to reduce their greenhouse gas emissions. More than half the world's people now live in cities. They occupy only two percent of the world's land mass. They emit 75 percent of the world's greenhouse gas emissions.

So we are trying to do two or three rather simple things for them. First of all and most important, we want to help them reduce their energy use and produce more clean energy. And we started with an energy retrofit program that will allow millions and millions of buildings to be retrofitted for more efficient energy, and we got five banks to commit $5 billion, a
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billion each, to this project so that they
could all be financed without any extra
burden on capital budgets by local
governments or the private sector because
they can be financed by being paid for with
binding guaranties of future energy
savings, lowering utility bills. And I was
stunned when I got into this and I learned
that that $5 billion doubled the amount of
money being spent on building retrofits in
the entire world. And this is a lay-down.

Just look at New York City. We
have 950 thousand buildings. Let's assume
100 thousand are off the charts. We have
50 thousand that are perfect and 50
thousand that are hopeless and should be
razed yesterday. So 850 thousand
buildings. And we're going to go to 800
thousand buildings and replace all the
lights, put in automatic temperature
control and green the roofs. And where
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the buildings are going to have a long
enough lifespan, we can put in the most
effective solar power, either passive,
active or both, but let's just take the
green roofing. This is a huge deal. It's
the cheapest thing you can do except change
the lights that will have the biggest
impact. On a 90 degree day in New York
with an old building with a flat roof,
anything that has tar in it on the top,
after the sun has been shining two or three
hours, the surface temperature of that roof
can get as high as 150 degrees. Now, if
you green it, which means you just go up
and put a sealant on it so there is no
leaking, then you lay down sod, then
depending on the structural capacity you
can put shrubbery up. I look at my roof in
Harlem all the time where my office is and
I see virtually a hundred of the roofs are
like this. If you do that, you can take
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the surface temperature of that roof to 80
degrees, cooler than the ambient air
temperature, with dramatic impact on energy
use, greenhouse gas emissions, and
parenthetically on the utility bills of
every business and residence and all those
buildings. It's like giving them a huge
tax cut. And it would be great for incomes
and jobs because you cannot outsource these
jobs. Someone has to be standing on the
roof. This is not data processing. You've
got to actually be there.

Now, I want you to laugh, but
think about it. Think what this could do,
what kind of an answer this could be to all
the people that say, oh, trade's the
problem, let's shut down the economy.
This is a very, very big deal. And the
payouts are measurable if you can keep
score. So we're trying to do that.

The second thing I'm trying to do
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is get better prices. We went into the
business of trying to provide AIDS drugs
and later children's AIDS drugs to poor
countries. I found, much to my surprise,
that even if you bought the generic drugs,
the generic drug manufacturers were actually
operating on what I would call a jewelry
store model. You know, you go into a
jewelry store, you look around, you want to
buy a watch or an engagement ring or
whatever, you know that it's going to be a
low-volume sale, but we're all picky
buyers, and so they've got to keep a very
high inventory, so they tote around a bunch
of costs. And then you know that some of
us are going to overshoot our budgets and
we won't really be able to pay and they'll
have to try to figure out, can I get it
back, and so, therefore, there's a very high
margin. It's a low-volume high-margin
business. And what I try to do is turn the
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AIDS drug business into a grocery store business where you have a low-margin very high-volume business with an absolutely certain payment. That's all we did. And we also tried to help the manufacturers with the supply chain too, to increase their productivity and manufacturing efficiency and make the supply chain work better. But we got an 80 percent reduction in the price of AIDS drugs and a 90 percent reduction in the price of children's AIDS drugs from the generic price, not the big pharma price. And it has resulted in our being able to treat about 800 thousand plus people in 71 countries for roughly $500 million, which is about 15 percent of what the United States spends on its program to treat roughly the same number of people. And that's not a criticism of the American program, it costs you a lot of money to set up a government program everywhere. You
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know, you have to have housing and security
and it's a different deal. But still, you
see the point here, you can really do that.
So this is what the cities need. And we're
trying to organize lower prices for
lighting and many other products, and for
managing water where 35 percent of the
water is wasted and for managing landfills,
which emit a lot of methane gas. Landfills
are the second biggest emitters of methane
gas after agriculture in America, and it's
a much more powerful greenhouse gas than
CO2. It's just much lower in volume.

But you should all be worried
about this. For example, one of the things
that none of the people who tell you don't
worry, be happy, ignore, is that with the
melting of long ice sheets and frozen land,
decayed biomatter is going to be released
in the form of methane gas running the risk
of creating an almost automatic system of
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climate change. It's already happening in
the Russian tundra. Land frozen for
centuries and centuries is thawing out now
and the biomass is releasing methane that
has never been in the earth's atmosphere,
at least not for hundreds and hundreds of
years. So this is a big, big deal, and
we're trying to work on all those things.

The third thing we're trying to
do though is to develop tools with Infasys
and Cisco and ICLEI so that the cities can
keep score about what they have done. But
in order to do it and make them good, they
need to know where they are, which is why
the Carbon Disclosure Project is so
important. We can measure how much they
are reducing, but we won't know what
percentage of it they are reducing unless
we know what they are emitting.

So I will say again, maybe I'm
just relentlessly optimistic, but I thought
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when you got older you were supposed to get realistic, I get more and more optimistic when I get older, even though I get more frustrated and impatient about the pace of change. The Carbon Disclosure Project is vital, and we've got to get everybody to participate in it, and they can't be afraid. There is nothing to be ashamed of here. This is a problem of prosperity and of unexamined processes for a long time, and making investment decisions which may have made sense yesterday, but, doesn't make sense for tomorrow. We've got to get everybody to participate, which is why I'm so grateful for the aggressive leadership that Merrill Lynch has provided. Then once you know what you're doing, then we've got to keep score about what works and doesn't, because frankly we don't have all the answers here.

Once you know what you're doing
and then you know how to keep score with what you do, then all kinds of options open up. For example, you take transportation. Mayor Bloomberg's most controversial proposal was for a commuter tax like Singapore and London have, and you know, if you have a day like today, eight dollars a car seems -- I would have paid 800 just to get down here. I get that, but the truth is, that's only 20 percent of our problem in New York. Eighty percent of ours is the building, 80 percent. You green all these roofs, it will do more good than a commuter tax.

We should decongest New York City for other reasons, lost time and productivity, but let's look at some of the systematic things that we ought to think about. First take oil. In the United States we use 70 percent of our oil to get around for transportation and 30 percent
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for other things. Yet we don't need any oil to get around, except we still haven't found a non-petroleum substitute for jet fuel. We haven't found a non-petroleum fuel powerful enough to lift a big heavy airplane off the ground and fly it long distances at high speeds. Otherwise every bit of petroleum we use, which undermines our national security and our trade balance, is the bit we don't need to use.

The most efficient biofuel presently being produced in the world is Brazilian ethanol from cane, and because others have not followed their lead but want to buy their stuff, there is in effect almost too much pressure now on the ecostructure in Brazil to clear more land for cane, but it will produce about eight gallons of ethanol for every one gallon of oil required, so that even when you take into account the fact that ethanol in
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general is about 30 percent less efficient
than oil, it's still a really good deal.
And it's been a great deal for Brazil.
They have spent $5 billion in subsidies,
averted $50 billion in foreign oil
purchases and created one million jobs in
rural Brazil. And this can be produced in
a lot of countries, all throughout the
Caribbean, for example. And I just talked
not very long ago to Prime Minister Meles
of Ethiopia and he says that the Ethiopians
can grow cane as efficiently and do that.

The next best thing appears to be
a plant called detropa which grows largely
in Africa. The Malawian government just
became an investor with a private company
to produce detropa ethanol to export to
Europe, to basically export it in vacuum
containers. It doesn't travel well through
pipelines. Actually that’s another good
characteristic, because it gives you
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decentralized economic development.

But we need to think about these things. In America we're going hog wild over corn ethanol, which is the least attractive of all because it only gives you about 2.3 gallons for one gallon of oil, and every time you factor in the 30 percent efficiency, you have problems, and then it raises the price of corn. We had basically $2.20 corn the whole time I was governor and President, and then we had four dollar corn all of a sudden, and then it's also raising the price of wheat, because people produce less wheat and more corn, so we went from $4.85 wheat to about $7.65 wheat, and now we've got pasta riots in Italy and taco riots in Mexico. There is no perfect solution.

And we've nowhere near, I think, gotten to the technology that we could achieve in electronic cars. For example, a
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lot of us drive, I have a hybrid SUV. It kicks in to gasoline in 25 miles to the gallon. Why don't you just make one that kicks in at 45, or 50 or whatever? There's lots and lots of options here as we move our way toward the hydrogen car, some ultimately pure car. I've been in the hydrogen cars of the Big Three American automakers, an entrepreneur in Detroit, and BMW's, and they actually work pretty well and they've got them down where they can store the hydrogen in a non-bulky way and where they're not dangerous, but they still per unit are about $250 thousand a unit. They can't figure out how to get them down much lower than that.

But the X prize this year, do you know what the X prize is? The X prize was offered first to people who could find a way for a commercial venture into space. The new X prize offers $10 million to the
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first person who develops an automobile
that will get 100 miles to the gallon and
can be produced economically. So I think
this will come. But there are no systems
for so much of the rest of this. That's
why it's really important for big companies
like GE and Dupont and Walmart and all
these other companies that are in this
business trying to systematize it.

The next thing I think we have to
do, in America at least, and I think it
would work in Europe, is to do something
that is presently legal only in California,
which is to divide one's electric bill from
one's electric usage per kilowatt hours,
called decoupling. It's been legal in
California for 30 years and Pacific Gas &
Electric used to actually finance all
energy conservation efforts on homes in a
kind of -- it was an aggressive program in
the sense that it wasn't mandatory that you
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had to opt out of, but they did it.

California now has an energy use per capita
that is only 55 percent of the American
average. A lot of people don't know that.

It's because they've been steadily working
on conservation. So now Jim Rogers at Duke
Power has proposed -- he's the
third-biggest coal burner in America -- he
has proposed first to get all of his
ratepayers decoupled, then to declare it a
right of Americans in the 21st Century not
just to have electricity, but to have the
most efficient, environmentally responsible
electricity. Then the utility would have
the responsibility to go into every
business and every home and draw up a plan
and make it nationally efficient, and put
together the contractors to do it and do
all this stuff for them, showing with a
guarantee how much the utility usage would
go down. And then, this is the most
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important thing, then allowing the utility
to pay for this as if it were a power
plant, because it is springing up more
energy for growth. So then instead of
having a consumer loan or a year or two
years or three years like a car loan, they
could pay for it over 20 or 25 years. So
the utility would be guaranteed a stream of
funds from the home or business owner
sufficient to pay off this loan. The home
or business owner would be guaranteed a
higher per kilowatt hour charge, but a
lower utility bill.

So for example, I live in a
110-year-old farmhouse, and I'm sort of a
prime candidate. I love it, but it leaks
like a sieve. So Hillary and I have done
everything we could to make it more
efficient. This is not a user-friendly
process. We've replaced all the bulbs. We
even finally found compact fluorescent
PRESIDENT CLINTON

bulbs that would fit in the ceiling flat lights and track lighting, and doing the windows, I've got windows that are R-11, they're like a wall, and they let in more light than regular glass. I'm doing all this stuff, but I have disposable income and a high base level of knowledge, and it's hard for me. We have got to set up a system here to do this.

So this idea that Rogers has I think in some ways may be the most important new idea floating around in America, because if every utility did it, let's say they came into my house, they cut my energy use 40 percent, and let's say we spend $200 thousand to do it, they'd be able to up my kilowatt hour charge 20 percent over 20 years and I'd get a 20 percent rate cut right away, which given the rapidity with which people move houses and even change their business locations,
PRESIDENT CLINTON

is very important to make this deal work. You've got to split the difference so that the ratepayer is always a little better off. But these are the kinds of things that we have to have people thinking about. You can't do any of it unless you can keep score. And you've got to know whether what you're doing is not working or whether there's some more cost-effective measure.

So I come back to where I began. You have to decide, do you really believe this is a potential existential threat to our children and grandchildren's future? If you do, then you have to act. If you're going to act, you want to be successful. We cannot succeed unless we can prove this can at least be neutral in the wealthy countries, although I've already told you, I think it will set off the greatest economic boom in America since we mobilized for World War II and make the growth levels
PRESIDENT CLINTON

achieved when I was President look pale.

But at least we've got to be able to prove

it's a neutral. In the developing

countries, you have to be able to prove

it's a winner. That's why I go around

looking for projects like the Ethiopian

project where I try to figure out ways to

generate opportunity. The Ethiopian

president went through a long analysis

comparing the growth prospects in Ethiopia

of sugar cane to Brazil and said he wanted

Africa to be the first oil-free continent

when it came to transportation so he could

send us the oil and we wouldn't be

dependent on unstable sources, and they

would get rich in the process. This is a

huge deal for Africa. If you just drop the

inter-African trade barriers to food and

stop giving food aid to the country, just

gave them the cash for food aid and did

biofuels, it would do far more in the next
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10 years for African farm income than even
dropping general trade barriers.

So these things, it's all out
there. But those of us who are the biggest
problem now, and we are four percent of the
world's population and 25 percent of the
greenhouse gas emissions in the United
States, we have to take the lead. If we
don't move and our hands aren't clean and
our record is not good, we're not going to
be able to persuade somebody else to come
along with us. They'll just think we're
kind of locked down from assuming our
economic prosperity levels. We have got
the show the way here, and I hope that I
have persuaded you that it is good
economics as well as imperative for the
future of our children and grandchildren.
I think it is ridiculous to play Russian
roulette with our future.

And I haven't even talked about
what I consider to be one of the most complicating and troubling aspects of climate change, which is it is being reinforced by the most rapid deterioration of resources in the planet we've ever had. We're losing plant and animal species at the most rapid rate in human history. Ninety percent of the world's fishing centers are understocked, mostly by overfishing, but not entirely. Part of it is the ocean is trying to take up the slack from more greenhouse gases being put in the atmosphere with fewer trees and vegetation to absorb it. And as they absorb more greenhouse gases, our oceans are changing in chemical composition, and that's interrupting the organic food chain for a lot of fish.

So all this stuff is related, and instead of sitting around and wringing our hands about it, we should just thank God
that we live in a town where we have an exciting responsibility, and we actually know we can do something about it. And it's the sort of thing that all of you are well-positioned to do, because this is a question of information, organization and investment. There is no question that we can make this work. But we have to. And it all begins with keeping score. Thank very much.

(Appause.)
CERTIFICATE

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

I, DAVID HENRY, a Certified Stenographic Reporter, do hereby certify that the foregoing is a true and accurate transcript of the material herein:

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of September, 2007.

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DAVID HENRY