

bit. And I hope between now and the time it's voted on, enough people will understand the facts. This is why we're—if they really know the facts, I think you'll win.

Good luck, and thank you.

NOTE: The President spoke at 9:22 a.m. at a private residence. In his remarks, he referred to John

J. Sweeney, president, AFL-CIO; Douglas H. Dority, international president, United Food and Commercial Workers International Union; breakfast hosts Ron and Janet Burkle; Lt. Gov. Gray Davis of California; State Assembly Speaker Antonio R. Villaraigosa; and Gerald W. McEntee, president, American Federation of State, County and Municipal Employees.

## Remarks Announcing the Partnership for Advancing Technology in Housing in San Fernando, California May 4, 1998

Thank you very much. I think Christy did a terrific job. And the rest of her family is out here; we're glad you're here. And let me say to all of you how very glad I am to be here. I want to thank Congressman Sherman. I know that Congressman Berman wanted to be here today, but a family emergency prevented him from coming. His daughter Lindsey is here; I thank her for coming. Thank you, Lieutenant Governor Gray Davis, for being here.

We have a number of people who have been involved in this endeavor: William Apgar, who is our Assistant Secretary-designate at HUD; Deane Evans, the staff director for PATH. Thank you, Bob Vila. Thank you, Jeff Lee and Jay Stark, the president and director of development for the Lee Group. I thank the Braemar Urban Ventures, who are also a part of this project.

I say a special word of thanks to Don Martin, the president of the National Association of Home Builders—came a good long way to be with us today, and that shows the kind of commitment we have out of this national organization. I thank him very much for his remarks and his presence.

I see a lot of people in the audience, I hesitate to acknowledge some for fear of missing others, but I see our L.A. County Supervisor, Zev Yaroslavsky, and City Councilman Richard Alarcon, former Assemblyman Richard Katz, Assemblyman Bob Hertzberg. I thank them for coming.

And I have to make special notice of one person who is here. I don't know a more ardent environmentalist than Ed Begley, Jr. He's the

first person I ever met who owned an electric car. Thank you for coming.

Ladies and gentlemen, this is a very important day. I know that all of us are glad that our country is enjoying good economic times, that we have 15 million new jobs, the lowest unemployment in 28 years, the lowest inflation rate in 30 years, the lowest crime rate in 24 years, the highest consumer confidence in 30 years. We also have another accomplishment as a country that's particularly relevant today: We have the highest homeownership ever recorded in the history of the United States.

And all of that is very good. The housing market has never been stronger. It appears that between now and 2010, we'll have 15 million more new homes built in America. It's a great opportunity for the American people. But like all the changes going on today, as I have repeatedly said, this is not a time for us to be smug or complacent. This is a time for us to ask, how can we take advantage of the good times we have and the changes that are going on to meet the long-term challenges of America?

And we have a number of long-term challenges. One is to reform Social Security and Medicare for the 21st century so the baby boomers don't bankrupt the rest of the country. I can say that because I am one. [*Laughter*] Another is to bring the spark of free enterprise to the inner-city neighborhoods that haven't yet felt it, to make sure everybody has a chance to be a part of the economic future of America. Another is to make the most of our rich racial and ethnic diversity so that we are even stronger than we have ever been. Another is to build

a world-class system of elementary and secondary education to go along with our system of higher education.

But all of that requires us to be able to live in our global home on free and fair and decent terms with our neighbors around the world. And the biggest challenge to that today, in my opinion, is the challenge of climate change and global warming.

There is virtually unanimous—not complete but virtually unanimous—opinion among scientists that the globe is warming at an unacceptably rapid rate. We know, for example, that the last decade is the warmest decade in 600 years. It literally—3 years in the 1990's are the warmest years since the year 1400. You know in California from the unusual severity of this El Niño what these kind of disruptive weather events can be like. And we know that if the climate, in fact, continues to heat up through the excessive emission of greenhouse gases into the atmosphere, we will have more extreme, dramatic weather events, such as those you've experienced so frequently in California in the last few years, on a more regular basis throughout the United States and, indeed, throughout the world.

We also know what to do about it. We know that we can substantially reduce greenhouse gas emissions and we know if we do so, we can—in the right way—we can do it and continue to grow the economy at a perfectly acceptable rate. Now, it's already been said by previous speakers that emissions from homes in America account for about 20 percent of our total greenhouse gas emission. Let me try to put that into some perspective. Basically a third of the greenhouse gas emissions come from transportation, primarily from cars and trucks. About a third comes from factories and powerplants. And about a third comes from buildings—homes and office buildings, commercial structures. In that third, about two-thirds of that comes from homes.

So if we know that we can do things with available technology—and you just saw it all demonstrated here—that will actually be profitable to homeowners, won't hurt homebuilders, and will help to save the planet, by definition, it will put more money into consumers' pockets; and by saving the environment, we will generate higher, not lower, economic growth. It will improve the productivity of homebuilding and, in

a very profound way, the productivity of living in homes.

Now, that's what this PATH project is all about. It will be the most ambitious effort ever to help private homebuilders and homeowners make cost-effective, energy-saving decisions that will pay big dividends throughout the 21st century.

Now, let me say that we have a specific goal here, and I don't think it's an unrealistic one based on what you have already heard and the specific examples you saw at the beginning of this event. Over the next decade, the goal of PATH is to cut energy use by 50 percent in new homes and 30 percent in 15 million existing homes. Keep in mind, there are 100 million homeowners in America, as our homebuilder leader said. That's an achievable goal. If we achieve that goal, it means by the year 2010 we'll save consumers \$11 billion a year in energy costs, reduce annual carbon emissions—listen to this—by 24 million tons, equivalent to the amount produced each year by 20 million cars. For new homes and old ones, therefore, PATH will lead us toward a cost-effective solution to help preserve our real home, the planet Earth.

Now, several weeks ago right here, PATH experts reached out to the Lee Group to help identify inexpensive ways of building energy-saving features into all the new homes. The results have been dramatic. The new technologies suggested by PATH experts—listen to this—here will save homeowners in this very moderate climate more than \$230 a year on their energy bill, \$7,000 during the life of the mortgage, without adding a dime to the price of the home. In regions where there are greater extremes of hot and cold, the savings will be much, much larger.

The power of this partnership is growing every day. Many Federal agencies are working with builders and suppliers to develop even better technologies. They're working with State and local officials to streamline regulations, and that's very important. That's why I'm glad to see so many State and local officials here today. The Los Angeles City Council just passed a resolution to help speed PATH projects. When homeowners agree to buy ultra-efficient appliances, the Department of Water and Power will help to pay any extra cost. Fannie Mae will make it possible for more homeowners to qualify for home mortgages, giving them credit for the energy savings they will collect in terms of the

eligibility for their mortgage. And we ought to congratulate MetroLink, too, for making it so easy for community members to leave their cars at home.

Now, this collaborative approach to energy savings is the same one we're also trying to take with the commercial sector. Remember, residential and commercial together are about a third of our greenhouse gas emissions. We're working with the owners and the managers of the Empire State Building and the World Trade Center in New York, the Sears Tower in Chicago, and many other buildings to cut their energy use by up to 30 percent.

It's the approach we're taking in the car industry. Transportation is a third of the problem. We've already worked with Ford, GM, and Chrysler for 5 years now to help them produce prototypes that will get more than twice the mileage of today's cars, with no sacrifice in comfort, safety, or performance. And we are on the verge of having energy engine technologies in transportation that will reduce greenhouse gas emissions by 75 to 80 percent.

This is the approach that I'm trying to take to this problem in a comprehensive fashion. It's why I have asked the Congress to make a commitment that is unprecedented but a good investment of \$6.3 billion over the next few years for research and for tax incentives to mobilize these new technologies. Some of the incentives I've proposed, such as tax credits for energy-efficient homes or the solar panels you see there that are so dramatically different from the huge contraptions that used to be necessary to put on roofs, are designed specifically to promote the goals of PATH, the ones I've just announced to you.

Today I hope again I can ask all of you to ask the Members of Congress who are here with Brad Sherman and don't agree with Howard Berman and Brad to actually vote for this. It seems to me that every Republican and every Democrat Member of Congress would be for a system of tax credits that actually created a win-win situation. It would generate more economic activity and less pollution. It will save money for consumers and cut down on greenhouse gas emissions by saving natural resources.

Now let me say again, there are still people in Washington who think this is some great plot to wreck the economy. If I'm trying to wreck the economy, I've done a poor job of it. [*Laughter*] Every time in the last 28 years since we

started with the Clean Air Act in 1970, every time we have faced an environmental challenge, people have said, "Oh, if they do this, they're going to hurt the economy." I have heard it and heard it and heard it—whether it was acid rain, pesticides, polluted rivers, the ozone hole—everybody said it was terrible.

Well, guess what? The ozone hole is thickening now. The layer is thickening again. We got rid of CFC's, and we did it in a way that actually has improved the economy. Every single environmental challenge we have met as a country in the last three decades has actually served to strengthen the economy by creating a demand for new ideas, new technologies, and new businesses.

So we have generated more jobs, not fewer jobs, by doing the responsible thing for our environment. And that's what will happen again. These new technologies in our homes, in our cars, our appliances, new sources of energy like solar power and fuel cells, working with other nations of the world in new partnerships—all these things are going to give us a much more well-balanced economy. On the other hand, if we don't do it, I will say again, if you liked El Nino for the last several months, you will love the 21st century if we keep on the path we're on.

I think the answer is clear. And when someone can stand up here and make the kind of very personal testimonial about what it does to your living circumstances, like Christy did, and then say it enables her husband and her son and herself—it enables them to be good citizens by making a statement about what kind of environmental values they have—that's the story we want every American to be able to tell.

So I ask you to support the PATH initiative. I ask you to go home and examine whether you can do something in your own home to be a part of this. I ask you to ask the Members of Congress, without regard to party, to make this an American crusade. Because if you think about the big, long-term challenges America faces, this is clearly one, and we have it within our grasp to meet the challenge in a way that will give these little babies that are in this audience a much better life in the new century.

Thank you, and God bless you.

NOTE: The President spoke at 10:57 a.m. at a PATH development site. In his remarks, he referred to Christy Steindorf, owner of an energy-

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efficient home who introduced the President; Bob Vila, host of the television program “The Renovation Guide”; Jeffrey Lee, president, and Jay Stark,

director of development, Lee Group; and actor Ed Begley, Jr.

## Interview With Al Hunt for CNBC and the Wall Street Journal

May 4, 1998

### *National Economy*

*Mr. Hunt.* Mr. President, thank you for being with us. Let’s talk about the American economy for a moment, which is really the envy of the world today. Federal Reserve Chairman Alan Greenspan says that it’s the best economy in modern memory. But in your view, are there one or two developments that could jeopardize these good times?

*The President.* Well, I think the thing that I’m most concerned about today is the necessity of having growth in every major region of the world to sustain our own. I mean, we’re now in a position where about a third of our growth is due to exports, where a significant percentage of them go to Asia. And our own analyses are that the Asian financial crisis, within its present parameters, won’t have a terribly destructive impact on the American economy now. But if we had slow growth everywhere at once, it would—which is why I think it’s rather important that we support the IMF and have a really disciplined effort to try to help move the Asian countries through this financial period and get them back to growth again.

And I feel the same way about what I’m trying to do in Africa as well. I just think that we have to understand that our welfare is more inextricably tied with others than ever before. So that’s one of the things that I’m quite concerned about.

### *Japanese Economy*

*Mr. Hunt.* In that context, the greatest threat in Asia, most experts think, is Japan. You and Secretary Rubin have encouraged, have cajoled, have pressured the Japanese to try to stimulate their economy, where it always seems to be too little, too late. What are the consequences if that persists, both in Asia and for the United States?

*The President.* Well, let me say, this last stimulus package, if it’s real—that is, if it’s real

money and it’s implemented rapidly and vigorously, I think it will be a plus——

*Mr. Hunt.* You think it’s sufficient——

*The President.* Well, I think—let me finish, if I might. I think that it might be enough on its own terms if, in addition to that, they have other reforms in the economy, you know, to open the economy to subject it to more genuine competition and open markets. Then I think, between the two of those things, you would really get growth going again. I think at least there is a chance that it is.

One of the problems that the Japanese have in their political system is that, because the pressures against doing these kinds of things are so enormous, very often they can be proposed and then their impact can be watered down or delayed in ways that make it difficult to implement. But if they actually do what the Prime Minister has proposed, and they do it quickly, and they follow it up with other reforms with banking and competitive market reforms, then I think that there is a chance we can see some real movement in Japan. And, of course, that would lead the whole region out.

And Prime Minister Hashimoto has got an enormously difficult challenge now, but he’s a very able man; he’s a strong man; and he’s trying to, I think, really come to grips with this. And I’m hoping that he’ll be able to.

*Mr. Hunt.* You’re going to China for almost a week this summer. Is there any chance you’d stop over in Tokyo to talk to the Japanese about this economic situation?

*The President.* Well, I hope to see Prime Minister Hashimoto for an extended period in Birmingham, in England, at the G-8 meeting before I go to China. I would not like to wait that long. I’d like to have the chance to really sit down and visit with him and see what, if anything else, we can do to help before then. So I’m looking forward to blocking out some