

Treasury Secretary May Be Barrier to Sound Energy Policy

O'Neill Wants Bush to Focus on 'Global Warming'

BY MICHAEL J. CATANZARO

The internal Bush Administration conflict over global warming policy was settled last week when President Bush decided carbon dioxide would not be regulated as a pollutant. But a revealing memo penned by Treasury Secretary Paul O'Neill suggests the controversy is far from over.

On February 27, two weeks before the CO2 story broke, O'Neill outlined for Bush a comprehensive strategy to address global warming. Among other things, O'Neill urged Bush to "develop a process for achieving a consensus on the targeted limit of greenhouse gas concentrations." That would provide the basis, he said, for a "set of world interventions and actions that make economic and environmental sense."

O'Neill urged Bush to address global warming immediately.

He recommended an "analysis" for "amending or replacing the Kyoto treaty" with another international pact "grounded in science" and "aimed at reducing concentrations rather than emissions." And while he regarded Kyoto skeptically, he encouraged Bush to stay fully engaged in the treaty's next round of negotiations this summer.

O'Neill's alarmism on the subject is not new. In 1998, as chairman of aluminum giant Alcoa, O'Neill gave a speech in which he compared global warming to a "nuclear holocaust." Despite the lack of scientific con-

sensus on whether global warming is actually occurring or what its impact on climate and weather might be, O'Neill said that "global climate change may be a substantial issue that we need to deal with, and we should do it now."

In that same speech, O'Neill suggested establishing a "Manhattan Project" level of "intensive investment and massing of resources in order to reduce the uncertainties about the connection between concentrations of atmospheric gases and the dangers of global warming."

In a section titled "How to Get Started," O'Neill's February 27th memo mentioned several people who could advise Bush on the complexities of global warming science and economics. One of those "advisors" O'Neill suggested was Michael Oppenheimer, an environmental scientist with the ultra-liberal Environmental Defense Fund.

On Dec. 9, 1997, Oppenheimer told Ted Koppel on ABC's "Nightline" that "the notion that economic growth is related to energy production is totally false." Oppenheimer claimed the Kyoto Protocol, contrary to numerous private and governmental studies, would be economically beneficial to the United States in the long-term. The best way to prepare for Kyoto, he said, is "to move away from fossil fuels towards solar energy."

O'Neill also recommended William Merrell, president of the Heinz Center for Science, Economics, and the Environment. The Heinz Center is a liberal foundation whose members support the Kyoto Protocol and expanding

federal environmental regulations. O'Neill served on the Heinz Center board before he became treasury secretary.

While Bush has taken a position against both Kyoto and federal caps on carbon dioxide emissions, questions remain over O'Neill's influence on sensitive environmental policy issues. Also, conservatives are still concerned about EPA Administrator Christie Todd Whitman, who was a driving force for caps on CO2 before grudgingly going along with Bush's decision to forgo them. (Whitman also enthusiastically supported CO2 controls as governor of New Jersey.)

Whitman and O'Neill backed off only after they ran into strong opposition from Vice President Dick Cheney, Energy Secretary Spence Abraham, and Bush economic advisor Larry Lindsey, all of whom are crafting the administration's energy policy. Cheney & Co. argued persuasively that capping carbon dioxide emissions could not be squared with increasing energy supply, a key component of Bush's energy plan. They also pointedly reminded Bush of his campaign position on the Kyoto treaty: that it posed unacceptable burdens on the American economy (Cheney said last week that the treaty is "seriously flawed").

On the surface, Bush's decision appeared final. But O'Neill, Whitman, and sympathetic Clinton holdovers at EPA could act as a countervailing force against Cheney and his energy team, which supports nuclear power and greater oil and natural gas production over conservation as the better way to reduce the nation's energy problems.

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What's Wrong With McCain?

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aren't there for it to happen."

But McCain's recent behavior—notably the vociferous manner in which he is forcing his McCain-Feingold campaign "reform" measure on unhappy GOP Senate colleagues who would rather be dealing with President Bush's tax cuts and budget proposals—has caused McCain-watchers to wonder whether he has gone too far for a Republican. In recent weeks, for example, McCain and Democratic cosponsor Sen. Russ Feingold (Wis.) have held town meetings to drum up support for their proposal in both Arkansas and Oklahoma. The common denominator of these two states is that they both have conservative Republican senators (Jim Inhofe and Tim Hutchinson) who are up for election next year, who oppose McCain-Feingold and who may face stiff Democratic opposition.

At the Little Rock forum, one of the featured guests was Arkansas Democratic Rep. Marion Berry, who is presently exploring a bid against Hutchinson.

At a time when the Senate is evenly divided between the two major parties and Republicans cling to control solely because of Vice President Dick Cheney's tie-breaking vote, McCain is playing with political dynamite—and, in the process, risking his bona fides as the best-known *Republican* figure outside the administration. Some Senate colleagues and backers of McCain's presidential bid were not shy about discussing this with HUMAN EVENTS.

"I don't like the timing of [the Senate debate on McCain-Feingold] because it takes away from the attention that should be given the President's tax-cutting agenda," said Sen. Hutchinson. Of McCain's appearance in

Arkansas, Hutchinson said, "It sure isn't helpful to John's cause. It's not the way to get votes."

Sen. Inhofe agreed, but indicated that he and other Senate Republicans have given up trying to persuade McCain to change his mind on anything. In Inhofe's words, "I can't find a lot of people who can influence John on anything."

At the packed McCain-Feingold town meeting at the University of Oklahoma last month, speakers repeatedly pointed out that campaign finance reform was opposed by "both of your Republican senators"—a reference to Inhofe and Senate GOP Whip Don Nickles. (Inhofe could be challenged next year by former Democratic Gov. David Walters.)

"It's counterproductive and can cause a lot of resentment among Republicans," said Sen. Sam Brownback (R.-Kan.) of McCain's trips to the home states of potentially vulnerable GOP colleagues.

"Not a positive step, and I hope John wouldn't do this," added Sen. Jeff Sessions (R.-Ala.). "He wouldn't want others to go to Arizona, would he?"

Sessions, an outspoken opponent of McCain-Feingold, also said, "We're spending just too much time on this when we could be spending more on the tax cut and the budget. Everyone knows John McCain is just determined to get this up for a vote."

But Colorado GOP Sen. Ben Nighthorse Campbell was by far the bluntest about McCain's holding town meetings in the states of other GOP senators. "If he comes into my state," said Campbell, "I'll let him know what I think in a damned hurry!"

McCain's adamant pursuit of an issue most Repub-

licans oppose has also aroused dismay and criticism from some advocates of his 2000 presidential campaign.

California's 1992 Republican Senate nominee Bruce Herschensohn, one of his state's best-loved conservatives, jolted admirers when he campaigned for McCain in last year's California primary. Asked about McCain's recent maneuvers, Herschensohn said: "There aren't words adequate enough to describe my tremendous disappointment with Sen. McCain."

Former three-term Rep. Mark Sanford (R.-S.C.) surprised his own supporters when he backed McCain against Bush in the pivotal South Carolina primary. "I can't help but be concerned about what John McCain is now doing," Sanford (lifetime American Conservative Union rating, 92%) told me by phone from his Sullivan Island home, where he is preparing to launch a gubernatorial bid. "Any great team wins because they play as a team. You don't go into someone's backyard and undermine the teammates. And looking at the 50-50 split in the Senate, when you undermine your base, you commit political suicide."

So besides increased media adulation, what will be the outcome of McCain's controversial pursuit of the cause with which he is most identified? Loss of more Republican friends? Or a bolt to an independent bid?

"John is promoting his own agenda and anything to advance that cause is what's motivating him," said media consultant Jay Smith, who quarterbacked McCain's first bid for the U.S. House back in 1982. "Town meetings in other states are clearly a successful means of generating publicity for his agenda, so he participates in them." Asked if McCain would ever leave the Republican Party, Smith replied, "John always said he was a lifelong Republican and it would take a sea change in him to make him leave the party. But anything's possible."