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PRESIDENT OF THE CZECH REPUBLIC SUBJECT: THE ENVIRONMENT
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MS. SMITH: Good afternoon, and welcome to the National Press Club. My name
is Sylvia Smith. I'm the Washington editor of the Fort Wayne Journal-Gazette and
president of the National Press Club. I'd like to welcome Club members and their guests
today, as well as those of you who are watching on C-SPAN. We're looking forward to
today's speech, and afterward I'll ask as many questions from the audience as time
permits.

Please hold your applause during the speech so that we can have as much time as
possible for those questions. For our broadcast audience, I'd like to explain that if you
hear applause, it may be from our guests or members of the general public who attend our
events, not necessarily the working press. I'd now like to introduce our head table guests
and ask them to stand briefly when their names are called.

From your right, Keith Hill, reporter/editor for BNA and chairman of the National
Press Club Board of Governors; Rob Doherty, Washington bureau chief of Reuters;
Janine Zacharia, diplomatic reporter for Bloomberg News; Peter Rafaeli, president and
treasurer of American Friends of the Czech Republic and a guest of our speaker;
Christine Cordner, senior editor covering climate change for Platts and a brand new
member of the National Press Club; his excellency, Petr Kolar, the Czech Republic
ambassador to the United States, and guest of our speaker; Angela Greiling Keane of
Bloomberg News and chairwoman of the National Press Club Speakers Committee.

Skipping over our speaker for a moment, Doris Margolis, president of Editorial
Associates and the Press Club member who arranged today's luncheon; Fred Smith,
president of the Competitive Enterprise Institute and a guest of our speaker; Myron
Belkind, chairman of the Press Club International Correspondents Committee; Tony
Walker, international editor of the Australian Financial Review; and Steve Sammey (sp),
editor and publisher of Military and Diplomats World. (Applause.)

Millions of Americans have roots in what is now the Czech Republic. But most Americans came to know this midsized European country through its first post-communist president, Vaclav Havel. In the U.S., Havel was the personification of the Velvet Revolution, the non-violent overthrow of the communist government. When he spoke to our Congress, he was interrupted by standing ovations 21 times.

The Velvet Revolution, though, was 20 years ago, and a lot has happened since then. For one, Czechoslovakia has become two states, the Czech Republic and Slovakia. The Czech Republic was voted into NATO and became a member of the European Union. Its economy is surging.

Through all this, our speaker has been involved in one way or another with the evolution of the Czech Republic from communism to its present market-based economy. Vaclav Klaus was elected president of the Czech Republic in 2003 and won a second five-year term in February. During the communist era, he was a researcher at the Institute of Economics at the Czechoslovak Academy of Sciences, and later he worked in various positions at the Czechoslovak State Bank.

Klaus began his career after the Velvet Revolution in 1989 as finance minister. In 1991 he co-founded the Civic Democratic Party. Klaus won parliamentary elections in 1992 and became prime minister. He has published 20 books on general social, political and economic subjects and, in fact, has discussed some of those here at the National Press Club. Among them is his controversial book, "Blue Planet in Green Shackles: What Is Endangered, Climate or Freedom?" A passionate crusader against what he terms global warming alarmism, Klaus raises a skeptical eye at environmentalism. One widely quoted passage from his book says this: "The largest threat to freedom, democracy, the market economy and prosperity at the end of the 20th and the beginning of the 21st century is no longer socialism. It is instead the ambitious, arrogant, unscrupulous ideology of environmentalism." We're interested to hear more.

Ladies and gentlemen, please join me in a warm National Press Club welcome to our speaker, Vaclav Klaus, president of the Czech Republic. (Applause.)

PRESIDENT KLAUS: Madame President, ladies and gentlemen, it's really a great pleasure to be here. I'm just surprised to hear that I'm skeptical vis-a-vis environmentalism. I'm not skeptical. I'm totally against it. (Laughter.) Skeptical is an understatement, you know, which I would never, never use.

As I said, it's a real pleasure to be here. Let me thank all those who helped to make the English translation and publication of my book, "Blue Planet in Green Shackles," possible, especially Fred Smith and his Competitive Enterprise Institute, and to thank those who co-organized the presentation of it in this very prestigious place. Thank you very much.

I'm really excited to finally hold in my hands -- and I got it yesterday at the airport here in Washington for the first time -- to hold in my hands, after the Czech, German and Dutch editions, the English version of this book.

The authors often claim that their books speak for themselves. I cautiously agree and will therefore speak not about the book itself but about my motivations to write the book.

To make my position and my message clear -- and this is something that was mentioned in the introduction -- I should probably revoke my personal experience. My today thinking is fundamentally influenced by the fact that I spent most of my life under the Communist regime which ignored and brutally violated human freedom and, as I remember quite well, wanted to command not only the people, but also the nature. To command the wind and rain is one of the famous slogans I remember since my childhood.

This experience taught me that freedom and rational dealing with the environment are indivisible. It formed my relatively very sharp views on the fragility and vulnerability of free society, and gave me a special sensitivity to all kinds of factors which may endanger it.

I would like to stress that I do not live in the past and do not see the future threats to free societies coming from the old and -- old-fashioned Communist ideology. The name of the new danger will undoubtedly be different, but its substance will be very similar. There will be the same attractive, to a great extent -- (inaudible) -- and at first sight quasi-noble idea that transcends the individual in the name of something above him, something greater than his poor self, supplemented by enormous self-confidence on the side of those who stand behind it. Like their predecessors, they will be certain that they have the right to sacrifice man and his freedom to make their idea reality.

In the past, it was in the name of the masses or of the proletariat, this time in the name of the planet. Structurally, it is very similar. The current danger, as I see it, is environmentalism, and especially its strongest version, climate alarmism. Feeling very strongly about it and trying to oppose it was the main reason for putting my book together, originally in Czech language in the spring of 2007.

It has also been the driving force behind my active involvement in the current climate change debate and behind my being the only head of state who, in September 2007 at the U.N. climate change conference in New York City, openly and explicitly challenged the undergoing global warming hysteria.

My central concern is, in a condensed form, as was mentioned by Madame President, captured in the subtitle of this book. I ask what is endangered, and -- climate or freedom? And my answer is it is our freedom and -- I may add -- and our prosperity.

The book was written by an economist who happens to be in a high -- in a relatively high political position. I don't deny my basic paradigm, my economic way of thinking, because I consider it an advantage, not a disadvantage.

By stressing that, I want to say that the climate change debate in a wider -- and the only relevant sense -- should be neither about several tenths of a degree Fahrenheit or Celsius, about the up or down movement of sea level, about the depth of ice at North and southern poles, nor about the variations of carbon dioxide in the atmosphere.

The real debate is, and should be, about costs and benefits of alternative human actions; about how to rationally deal with the unknown future; about what kind and size of solidarity with much wealthier future generations is justified; about the size of externalities and their eventual appropriate internalization; about how much to trust the impersonal functioning of the markets in solving any human problem, including global warming; and how much to distrust the very visible hand of very human politicians and their bureaucrats. Some of these questions are touched upon in my book.

My deep frustration has been exponentially growing in recent years by witnessing the fact that almost everything has already been said, that all rational arguments have been used, and that in spite of that, global warming is still marching on.

It could be intruded -- we are now at the stage where mere facts, reason and truths are powerless in the face of the global warming propaganda. We have probably, and regretfully, already reached that stage now.

The whole process is already in the hands of those who are not interested in rational ideas and arguments. It is in the hands of climatologists and other related scientists who are highly motivated to look in one direction only, because a large number of academic careers have evolved around the idea of manmade global warming.

It is, farther, in the hands of politicians who, through the manipulation of people, maximize the number of votes they seek to get from the electorate. It is also, as a consequence of these political decisions, in the hands of bureaucrats of national and, more often, of international institutions who try to maximize their budgets and years of careers as well, regardless the cost, truth and rationality.

It is finally in the hands of (rent-seeking ?) businesspeople who are, given the existing policies, interested in the amount of subsidies they are receiving and look for all possible ways to escape the --for them -- (inaudible) -- but, for the rest of us, very positive, general welfare-enhancing functioning of free markets. An entire industry has developed around the funds the firms are getting from the governments.

I promised I will not describe the book. (Scattered laughter.) (The ?) president, really, so -- (laughter.) Nevertheless, I have to say that the basic questions of the current climate change debate are sufficiently known and well structured. Four of them are crucial.

Question number one: do we live in an era of a statistically significant, non-accidental, and non-cyclical climate change? This is, for me, the question number one.

Question number two: if so, is it dominantly manmade?

Question number three: if so, should such a moderate temperature increase bother us more than many other pressing problems we face, and should it receive our extraordinary attention? Question number three.

And the final question: if we want to change the climate, can it be done, and are current attempts to do so the best allocation of or scarce resources?

My answers are somehow in the book -- (scattered laughter) -- but to summarize them -- to summarize them, I would say that my answer to all these questions is no. No, but with a difference in emphasis.

I am not, myself, fighting about the first question. I don't aspire to measure the global temperature or to correct the measurements of climatologists. And I even do not estimate the relative importance of effectors which influence it. This is -- I am an economist, and I always try to maximize my -- to take use of my comparative advantages. It's a mistake to do something else.

And in those two questions, I don't have a comparative advantage. But to argue, as it is done by many contemporary environmentalists, that these questions have already been answered with a consensual yes and that there is an unchallenged, scientific consensus about this, is unjustified. And not only unjustified; it is also morally and intellectual deceptive, and this is something that I can't live with. And, therefore, my book and my involvement in this grand, global warming debate.

As I said, you may find some of my arguments concerning these issues in this book. I always suppose that it's much bigger, but, you know, it has 100 pages, whereas the Czech version has 150 and German version even more. (Laughter.) And it may be that English is more productive, more efficient language. (Laughter.) That's one possible explanation which probably creates the advantages of your great country, Madame President. When you have an efficient language, that may be good.

But I understood that there is a different story. I have not yet seen in my life a book which has the letters of -- (inaudible) -- the text so low to the end of the page and too much with one side or another. (Laughter.)

Then at first, I must say, when I saw it at the airport yesterday night, I was rather disappointed, but now I understood that it's -- (inaudible) -- friend and I understood it. I should be consistent. And I understood that -- (inaudible) -- means the president of the Competitive Institute -- Competitive Enterprise Institute, the publisher of the book, is consistent also. And he's saving energy and paper and put as many letters on one page as

is possible. And therefore, the book looks shorter than it really is. You know, this is a miraculous result which I must say it took me -- Fred, it took me several hours to understand that trick, but this is part of the story.

We discussed -- all of you, I understood, enjoyed having your water with ice. I was the only voice in the room today to ask, please, can I get it without ice? And then my neighbors at the table started to argue: This is very European, because in Europe they have small refrigerators and they don't have enough ice. And I said, Fred, to be consistent, you should go home this evening to throw away your big refrigerator and to buy a new small one. That's the only way how to follow prescriptions of Mr. Al Gore.

Thank you very much for your attention. (Applause.)

MS. SMITH: You suggested that money is the motivating factor for budgets and careers behind scientists who describe a human role in global warming. But isn't money the motivating factor in businesses that oppose government actions to limit global warming?

PRES. KLAUS: Money is the motivating factors. Well, I would put it slightly more broadly. To maximize the power and the career is not just a monetary issue, because -- so that's not my crucial point.

But I don't think that the main factor of business is to oppose the actions. On the contrary, I am to my great regret convinced that we can somehow persuade the scientists that the scientific consensus is different. We can eventually persuade the politicians. We can eventually persuade the bureaucrats. But I am afraid we will not be able to persuade the rent-seeking business people, because now they are the main supporters of the global warming hysteria, because they understood that it's the easiest way for their rent-seeking activities to maximize the number of subsidies to get, because of -- the perfect excuse -- because of the so-called global warming.

And months ago, I had a presentation of the Dutch edition of my book. And the person who introduced my speech there made a good point, because in the Netherlands the windmills have been for centuries, as we all know. And he tried to explain us that they are much -- there are 10 times more windmills now, but they don't work because the old Dutchmen understood where to put them. And now they tried to put it all over the country where there is no wind, which means the activity is zero.

And he made a perfect point, which I enjoyed very much. And it explains the story. It explains this question. His point was that the windmills are not run on wind, they are run on subsidies. I laughed at his statement. And this is the answer to the question.

MS. SMITH: The questioner wants to know: Can you give us specific examples of how the green movement has impacted freedom, democracy and/or the world market economy?

PRES. KLAUS: Well, this is for a two-hour speech. This is not a way to summarize in one sentence or another.

But the green movement is trying to dictate, control, regulate, mastermind our lives. You know, this is what we see every day. They want to discuss how many children we can have, because the man is a creature which damages the atmosphere. Because of -- (inaudible) -- they are dictating us what kind of cars we can use, how big the refrigerators we can have. I would expect very soon -- very soon legislation in the EU or in the United States about the allowed size of domestic refrigerators and so on.

So I think not to see it is for me not having eyes opened and not looking at the world around us. And if you look at the -- I speak as someone who lived in a communist era and who knows what it means to eliminate freedom, someone who knows what it means to eliminate the market economy, someone who knows what it means to regulate, to command, to mastermind the economy from above. And if you look at such developments in the last several months as the rising food prices all over the world, this is just the result of the -- an important part or result of the environmentalist thinking of switching to ethanol production and biofuels and competing with food production and so on and so on. One example after another for me.

MS. SMITH: Given what you've seen so far with the EU's emission trading scheme and its impact on the EU economy, what would you caution the United States as it designs a carbon program?

PRES. KLAUS: One thing is the idea whether it's necessary to limit the carbon dioxide emissions. And another issue is what kind of regulation to use. Those are two issues. So the author of this question probably assumes that the first question is settled so that we have to do it.

I'm not so sure about this. But whether the tax system -- to use the tax system or to use emissions trading -- cap-in-trade system as you call it in this country -- it's a technical question for our economies. So for me the -- and it's mentioned in this book of mine -- this cap-and-trade system or the EU emissions trading scheme is something which resembles very much the dreams of communist central planners.

I don't know whether the economists here in this room remember the famous debate about socialism in the 1930s between on the one hand socialists -- Lange, Oskar Lange, a Polish American and Abba Lerner, an American economist on the one hand; and Mises and Hayek on the other.

So it was about the same idea. Can we try to play the market instead of letting the market to work and to tend to function? And this idea of trading system with the announcement of prices trying to find the result is something what we studied -- economists in the communist era. We studied as a nonsense and we tried to tell our political bosses that something like this can never, never work. And we forgot those

studies in November 1989 in the moment of our velvet revolution and -- I almost forgot my arguments which I was full of at that time. And I never expect to use them again.

But now with such trading schemes we are again in a very, very similar system.

MS. SMITH: A questioner asks, do you differentiate between simple efforts to conserve energy, water, etcetera and other resources? And what do you see as infringements on freedom?; in other words, where do you draw the line?

PRES. KLAUS: Well, first, simple efforts to conserve energy, water or to behave rationally is no violation of freedom. It's the basic element of human behavior ever. It's not necessary to impose upon anyone from above, you know. It's not the trick, so conservation, energy -- saving energy, switching off the lights here on the corridor, Madame President, are you doing it every day permanently. Ten times a day you check your people here whether they didn't forget to switch off the energy. If yes, okay, I'm on your side. But it has nothing to do with environmentalism. Environmentalism is about a scheme organized from above imposing upon us something. But and the -- all of us get a crucial information about the rational savings by the prices. It's crazy to tell someone to stop using oil in the moment when oil is 10 times more expensive now than it used to be several years ago. That's the information all of us are getting, and because all of us have a budget constraint, we have to rationally consume energy which means we have to rationally save energy. If the income of the president of the Competitive Enterprise Institute is not big enough, he will buy a smaller refrigerator and he will save energy. But because his income is too big, he can have a big refrigerator and he can use a lot of ice in his water. It's that simple. It's not necessary to organize our lives from above. I lived in such a system almost 50 years of my life. I don't need to -- I don't want to live in such a system again. (Applause.)

MS. SMITH: Would you apply that kind of logic to all governmental programs?; in other words, is there, in fact, a role for a federal government?

PRES. KLAUS: Not just federal government, any government -- local, state, federal --

MS SMITH: Is there?

PRES. KLAUS: -- all of them are as bad as -- you know, that's not the point you know. I know that you lived all your life in a world where you are used to discuss the market failure as a phenomenon, and there have been permanently attempts to correct some real or would-be market failures by government action, government intervention. That was the spirit of the 20th century. I think that rational people and many American economists made a great contribution in this respect, started to study the opposite. Started to study the government failure, and the issue is, is the market failure bigger and more dangerous than the government failure? You may have you experience but my experience with half a century in communism, I know that government failure is incomparably worse than any market failures. So, therefore my position on any form,

kind, motivation of government intervention is quite clear -- to limit it as much as possible.

MS. SMITH: Questioner says, "The Czech Republic has a growing manufacturing base. Does your viewpoint mean that industry won't be scrutinized for its environmental impact?"

PRES. KLAUS: If you work with statistics, you know if you studied -- at least, if you had to pass at least one exam in statistics, you know some crucial points, and one of them is that it's always important to find the starting point, where you start to measure the statistical time series. We don't have here any blackboards or anything else.

You know, the Czech Republic has a growing manufacturing base is an incorrect statement. Czech Republic, Czechoslovakia was the most industrialized country in the former Communist Bloc countries. Our manufacturing base, measure by the share of workers working in manufacturing, was highest in the world. So what we had to do after the fall of Communism was radically restructure the society and the economy, so in our country was a dramatic de-industrialization. Practically -- our heavy industry practically disappeared in several years after the fall of Communism. So we used to have a very high share of manufacturing, then we had a rapid decline, there is a small increase. So to describe our country as a growing manufacturing base is not exactly the correct statement.

But that there is no -- if you don't expect miracles in emissions intensity -- emissions intensity means share of emissions intensity per -- GDP per capita or something like that. If you don't expect miracles of emissions intensity, which is like expecting any miracle, in a sense. So the only way how to limit the carbon dioxide emissions is to decelerate economic growth and to de-industrialize the world. So that's the only way how to do it. Miracles can't be expected. I had a talk this morning at the Cato Institute and there was an idea about, what about this form of technology to create unlimited amount of energy? My answer to that was, okay. If we finally discover the perpetual -- (inaudible) -- that's great. The whole society will be changed. There will be no scarcity. There will be no economics, nothing like that, but this is not our reality. And the correlation between the rate of economic growth and CO2 emissions is -- has been very strong. Let's try to make it less dramatic. Let's try to increase the emissions intensity and the emissions efficiency, and we will have better results nevertheless. To get rid of that relationship seems to me impossible. So the more CO2 regulation, the less industry, definitely.

MS. SMITH: Do you apply the same logic to other forms of pollution?; in other words, I think in this country anyways, the correlation between factory emissions into the water and dirty water for drinking water is well established. Would you suggest that there is no role for government in that kind of pollution control?

PRES. KLAUS: Well, first, I think that experience tells us that with the increasing wealth, with the improving technologies, there has been an improvement all over the world in all indicators of environmental damage -- in all indicators. The question is whether we can dictate that situation. If you look in my book at page number -- I don't know, somewhere at the beginning, page number nine -- there are air pollution trends in the Czech Republic in the last 15 years. So we were one of the worst polluters in the world in the Communist era.

Now there is a radical improvement. So I don't deny all kinds of methods to improve that. But the -- it was basically done by the rationally functioning market system, but by clearly defining the private property, by introducing the rational price system. That -- the role of the environmental legislation was relatively, visibly, visibly smaller than the systemic changes which we introduced in our country.

So legislation -- there are all kinds of legislation and some of them is positive, some of them not. But I -- when I hear some of your candidates for president to promise what kind of emission reduction should be in the year 2020, 2015, 2018, I can't imagine anything like that. Here's one exception -- miracles. (Laughter.)

MS. SMITH: Speaking of 2020, the 2020 by 20, which -- a questioner wants to know, is that a reachable goal. And for those in the audience who might not know, that's a program to reduce consumption by 20 percent and increase energy from renewables by 20 percent all by the year 2020.

PRES. KLAUS: It's a -- this is a typical -- not the question, but the thinking about 2020 and 20 percent decrease in emissions. You know, it's a typical trick because 150 -- I don't know how many countries that signed the Kyoto Protocol -- more than 100, I will guess, yeah? -- more than 100 countries signed the Kyoto Protocol asking for 7 percent decrease in CO2 emissions between 1990 and 2012 -- 7 percent.

Until now, practically no country in the world -- with two exceptions -- is fulfilling the signed Kyoto Protocol. One type of countries who succeeded in fulfilling the Kyoto Protocol are the small states. One of them is Luxembourg. Luxembourg has one power plant because the number of people living in Luxembourg is 300,000. So it's one -- it's five blocks here, probably -- (laughter) -- in one direction or another, you know? So when you have a power plant in the -- in a country -- in such a tiny country based on coal and you restructure it and use gas, because you have just one power plant -- you'll easily fulfill Kyoto Protocol.

So let's exclude those small -- such small countries because this is not a real issue. And there is the second group of countries fulfilling the Kyoto Protocol paradoxically. My country is one of them and the -- all other post-Communist countries in Central, Eastern and southern Europe because of what I just explained before. After the radical economic restructuring and transformation connected with the fall of Communism, elimination of heavy industry, the fall of GDP -- in my country, the GDP fell in the first three years after the Velvet Revolution by one-third. Can you imagine one-third decline

in GDP in the United States? Unimaginable. So those countries are fulfilling the Kyoto Protocol as well.

So what would you prescribe the countries to do that? Either such a dramatic fundamental economic restructuring as was done involuntarily at the moment of the fall of Communism -- I wouldn't suggest you to follow that story or -- and let's exclude a small country. So no other country is following the Kyoto Protocol as far as I know. And there lies the trick. When we are not able to decrease the carbon dioxide emissions until the year 2012 by 7 percent -- so what's the best behavior of politicians to forget the 2012 goal and to start talking about 2020 and decrease by 20 percent. It's the trick, you know, in politics. It's a very successful trick. This is -- every single day, this is what I see is behind all of that.

MS. SMITH: How will your view on global warming influence what the EU does during the Czech Republic's roving presidency next year?

PRES. KLAUS: Well, I think that the global warming mantra is so deeply already in the EU structures and that -- I don't believe that our presidents in the first half of the year 2009 can radically change that situation.

MS. SMITH: Questioner asks, "Do you see any dangers to the environment?"

PRES. KLAUS: We know -- I would say that we know hundreds of examples of very bad dealing with the environment in our life. All of us meet that every day. But another issue is whether mankind is destroying the planet. That's a totally different, different story than using too much ice. You know, that's a problem which can be easily solved. But I don't believe that man is destroying the planet. And environmentalism is based not on small issues of saving electricity here in the National Press Club or of cleaning one pond or lake -- water. That's not environmentalism. Environmentalism is an ideology which wants to control the world.

MS. SMITH: Our Congress is working on legislation regarding money for a missile defense site in the Czech Republic -- less money, in fact, than the Bush administration wants. The Senate version would require Poland and the Czech Republic parliaments to ratify this plan. What's your reaction to the funding cut and the conditions that many in Congress want to set?

PRES. KLAUS: Well, this is not about this book.

MS. SMITH: Right. (Laughter.)

PRES. KLAUS: I -- MS. SMITH: Moving on --

PRES. KLAUS: I'm trying in vain to find a page discussing the missile -- the radar system in the Czech Republic.

Well, I -- I'm -- I don't want to influence the -- your legislators and their difficult budgetary decisions. As someone who used to be the minister of Finance, I would be very much against anyone telling me from outside how I should divide the national budget. So this is not my intention to make any comment on that. We accept that -- I would say the government accept it and it's in the process of being approved -- or not, potentially -- but I believe approved in the Parliament, and for us, the changes of conditions from outside is a complication. But this is not my issue I would like to discuss here.

MS. SMITH: But a lot of people are interested, and I suspect that the members of Congress' egos will manage to decide what they're going to do, no matter what any of us say. But someone wants to know if the radar system of the missile defense program is in your country's best interest.

PRES. KLAUS: I'm sure you know that such an issue as to bear the military defense system in a country -- it's definitely an issue where the people are divided, and it's quite natural. And you know that your country is divided on many, many issues starting with the Iraq War to -- I don't know -- I don't know what. So it's quite natural that the public opinion in the Czech Republic is divided.

One point.

Point number two, you live in a world, in a democracy -- we do as well -- and it's quite normal than when the government -- in our case, the governing coalition -- is suggesting something, the opposition is against it. I'm sure you know that issue as well.

So typical case in our country now with the government supporting that idea and the opposition is trying to -- to kill the government in any, any possible issue with any possible topic. So that the opposition is against it is, again, quite normal and nothing special.

We -- I would say that the general feeling in the country, again, connected with our past that we feel very strongly about our transatlantic relationship. We feel very strongly about our friendship with your great country and industries. But we take the radar system in our country as an argument in this friendly relationship between our two countries.

Discussions about whether the missiles in North Korea or Iran or I don't know where are dangerous today will be dangerous tomorrow or in the year 2000 -- I don't know, 17 -- is beyond my thinking. But for us, it's the something cementing our friendship with the United States of America.

MS. SMITH: The questioner wants to know when will the Parliament vote on this and will it pass, but you've already answered the will it pass, I think.

PRES. KLAUS: I expect it to.

MS. SMITH: And do you know when it will --

PRES. KLAUS: When? We are really a democratic country, and to dictate the Parliament what to do --

MS. SMITH: How about to predict?

PRES. KLAUS: If I say they will pass it at the end of June, they will, and they will hear it, you know, today in Prague, they will injure it, postponing until the autumn. (Laughter) .

MS. SMITH: They'll see on the record there were no predictions. (Laughter.) News reports said you will not attend the opening ceremonies of the Beijing Olympics. Were you planning to go and why did you decide not to?

PRES. KLAUS: This is a strange question. (Laughter.) I must say that I haven't attended the opening ceremonies of the World Ice Hockey in Quebec, I don't plan to see the final games of the Stanley Cup here, and many other important sport events. So that's all that I would like to say.

On the other hand, I don't think it's fair now after deciding 10 or 15 years ago to give the Olympic Games to China to be brave sufficient now suddenly and to say that there is no sufficient freedom in China and to block the Olympic Games. That's not my way of looking at things. The degree of democracy in China today is definitely much bigger than it used to be 15 years ago, when it was approved that the Olympics will be in China, and I try to be consistent in my life.

MS. SMITH: Questioner says given your experience with the peaceful division of the former Czechoslovakia into two separate countries, do you have any suggestions as to how to duplicate this feat in creating a peaceful Palestinian state? (Laughter.)

PRES. KLAUS: That's a daring ambition. So -- I'm sorry I was reelected for the second time -- term because otherwise I would volunteer to go to the Middle East to solve the dramatic situation there. My experience in this respect is nevertheless important, I would guess. And this experience is anything like that must be done at home. Anything like that must come from inside. I simply don't believe in the possibility of bringing solutions from outside because it can never work, it can never be accepted by the countries in question. And I understood very well in the year 1992, as prime minister that to every -- any trouble between the Czechs and Slovaks, you know, my task to do it as fast as possible, not to let any, any great advisors from abroad to come and to tell us what to do.

So we made it so rapidly that all those would-be saviors of the world, you know, didn't -- were flexible enough to come there and to try to tell us what to do. We did it ourselves. And I'm afraid that the attempt to do it differently in the Middle East has no chance to succeed.

MS. SMITH: Here's another conflict question. What would resolve the conflict between Greece and Macedonia regarding the name of the latter country? (Laughter.)

PRES. KLAUS: I was sitting at the NATO summit in Bucharest, Romania, months -- six, eight weeks ago, and so I participated in the discussion. I don't have a solution to - - can you imagine to be the president and prime minister of Macedonia, can you imagine that they are in Bucharest and then a group of guys, heads of state, heads of governments, tell them you should change the name of your country, and they say okay, and go home and to make a television address say we didn't like it, nevertheless we accept that the name of our country is wrong and we will accept another name. This is unimaginable. So for me, there is no solution to that game which I don't like and don't enjoy.

MS. SMITH: Questioner wants to know, aside from the publication of your book, what do you hope to accomplish on your visit to the U.S.? And what will you say to Vice President Cheney? I understand you're meeting with him.

PRES. KLAUS: I'm meeting him tomorrow morning. First, I will give him the book -- (laughter) -- and I hope that he will study it and he will -- in the remaining six months of this presidency will make radical changes in the environmental policy. That would be a great achievement nevertheless. But definitely, I don't expect anything like that. Well, we have several issues, bilateral issues between our two countries on the one hand and so far as we have some positions on the international issues as well. So we will definitely talk about all of them, but we will spend some time discussing this issue, so.

MS. SMITH: We're almost out of time, but before asking the last question, I have a couple of important matters to take care of.

First let me remind club members of future speakers on June 2nd, we have the vice president, in fact, Dick Cheney.

PRES. KLAUS: You should ask him whether he already -- (laughter.)

MS. SMITH: I think we'll ask him if he's read the book. (Laughs.) On June 5th, Sharon Rockefeller, President and Chief Executive Officer of WETA will discuss the role of public media in our democracy. And on June 9th, Brian Montgomery, Assistant Secretary of the Federal Housing Administration will be with us.

Second, I'd like to present our guest with our coveted National Press Club mug -- (laughter.)

PRES. KLAUS: Thank you very much.

MS. SMITH: -- for your coffee. And then let me ask you the last question. If you found yourself on an airplane sitting next to Al Gore, what do you think you'd talk about? (Laughter.)

PRES. KLAUS: Well, of course, I met him the past -- many times. So there will be not a special question. I many times tried to talk -- to have a public exchange of views with him and he's not too much willing to make such a conversation. I'm ready to do it.

MS. SMITH: Well, thank you so much for coming, President Klaus. (Applause.) Thank you, President Klaus, and thank you audience for coming. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Joanne Booz and Howard Rothman for organizing today's lunch. Also thanks to the NPC library for its research. The video archive of today's luncheon is provided by National Press Club's Broadcast Operations Center. Many of our events are aired on XM Satellite Radio and available for free download on iTunes, as well as on our website. Non-members may purchase transcripts, audio and video tapes by reaching the archives at press.org. For more information about the Press Club, please go to our website, www.press.org.

Thank you. We're adjourned. (Strikes gavel.)

END.