

## Remarks in a Roundtable Discussion With Environmental Specialists in Guilin, China

July 2, 1998

[The discussion is joined in progress.]

Participant. —the local government to stop the logging. But the local government is so poor, they ask for compensation. And then finally, the central Government agreed to give them 11 million RMB per year to stop the logging.

The President. Good.

Participant. So, now, well, for the time being, the monkeys are safe. This is one thing we have done. And I brought with me a picture of the monkeys and will give it to you as a gift.

The President. Oh, thank you.

Participant. So this is the only red-lipped primate besides human beings. And the total number of it is less than 12——

The President. My cousins. [Laughter] How many total number?

Participant. Less than 1,200.

The President. You know, in our country we have exactly the same issue. We have, in the Pacific Northwest and the West—California, Oregon, Washington—the U.S., we have—about 90 percent of our old-growth forest is gone. So now we have a law, a national law on endangered species, and it also protects the forest.

And we still have some logging in the forest, but you can't go in and just cut all the trees down. You have to be very careful, tree by tree, as the aging process goes, because I don't know how old the trees are, but these trees in the U.S. sometimes take 200 years for full growth. When our native tribes were there—Native American tribes—they would only cut the trees after seven generations of growth. And, of course, that's not enough for an industrial society. So now, we have pine forest; we just grow them faster. In 20 to 30 years, they can be harvested. And we try to get people to stay away from the old growth.

So, in this case, as I understand it, the provincial government has the first say, but the National Government can come in and stop it.

Participant. Yes. And actually, the county government, they own—they run the state timber companies there.

The President. What about tree planting projects, who does that? At what level is that done?

Participant. Well, at different levels. The central Government, local government, and also NGO's are all involved in this tree planting. But tree planting is so slow that all these older forests—they may have some trees over 400 years old, and all these newly planted trees are so small, there's no comparison with the forest.

The President. I agree with that. Interestingly enough, we now believe that tree planting may be most important in cities. We just had a study done in the U.S. which shows that a tree planted in a city will take in 10 times as much carbon dioxide as a tree planted in the countryside. Now, you say, well, of course, because that's where the smog is. But the important thing is we did not know until this study was done that the tree could take in 10 times as much and still process it.

I noticed in Shanghai yesterday—I say this because Shanghai, you know, is growing very fast, and they have all these wonderful new buildings—but I drove to one of the building complexes yesterday to meet a family in their new home, and I drove past a lot of the old residential areas, and in all the old areas there were lots of trees, not only trees down the street but trees up against the buildings.

So we're looking at whether in our country we should be supporting more of these tree planting operations in the cities because they do much more to clean the air than we had thought they did.

[The discussion continued.]

The President. Well, one of the things I think will really help is your government is moving to ban lead in the gasoline, going to unleaded gasoline. And that will help a great deal. And that's a very forward step.

But also children's lungs, they get polluted with all the things in the atmosphere. And you're right, that will make—smoking will become, interestingly enough, even more dangerous, more difficult because of all the pollution in the atmosphere.

So one of the things that I hope we can do in our partnership with the Chinese Government is to work on the technologies that will clean up the air in ways that we have been able to do without hurting the economy. We think there are ways to do that.

In fact, one of the things that I hope—I'm glad we have one business person here because one of the things we have seen is that we have actually created a lot of new businesses for cleaning the environment, and it creates a lot of jobs, provides a lot of opportunity for people to get an education and do this work.

[The discussion continued.]

The President. I believe that China has a unique opportunity because you're developing rapidly, but later in time than other countries, to avoid some of the terrible mistakes we made. And if I could just mention, in the conservation area, our traditional energy use that causes pollution is about one-third in vehicles, transportation; about one-third in buildings, both housing and office buildings; and about one-third in factories and in powerplants. And I think that if you—again, in China, it's probably more in factories and powerplants—a bigger percentage—probably now, but it will come toward these numbers.

If you just take them each in turn, in the vehicles, you have opportunities that, I think, that will come to you because of the development of fuel injection engines, which will take 80 percent of the pollution away, or natural gas-powered vehicles, which, I think, are worth looking at.

In the residential areas—yesterday in Shanghai, I spoke to the American Chamber of Commerce in Shanghai, and there on a visit was the businessman who is the head of our homebuilders association in the whole U.S. Just a few weeks ago, we went to California, which has a warm climate like much of China, and we started—we announced a low-cost housing project for people with modest incomes. And in these houses, they have solar panels that now look like ordinary shingles on the roof and can be produced and sold for very little money, but they save huge amounts of money—energy. You know, then the powerplant can be used to power the country's industry if you use it. They have windows which let in more light but keep out more heat and cold. Now, they cost a little more, but over a 10-year period, they save huge amounts of energy.

All these things could be jobs for Chinese people coming out of the state-owned enterprises. Someone could come in and start making these solar panels that go on the roof, someone should start making these windows. They have light bulbs that cost—in our country, they cost twice as much, but they last 4 or 5 times longer, and they don't emit the same amount of pollution.

And then, finally, in the manufacturing industries, there are whole businesses in America—like you said, they make money going into these plants and saying, here are 100 things you can do and you will cut your energy use by 20 percent and increase your profits by 20 percent. And in powerplants, in our old powerplants, as much as 70 percent of the energy that goes in them, as you know, is lost in waste heat. So now we have huge facilities in America being heated and cooled with the waste heat.

I was in a cafe yesterday in Shanghai that had a picture of a famous American basketball player, Michael Jordan. Everybody knows who he is. Almost no one knows that the United Center where he plays basketball is completely heated and powered by waste heat, recovered from the normal electric generating capacity.

So these are things that we would like to work with you on, because these are all mistakes Americans made that we had to go back and undo. But since China is now building new factories, building new powerplants, building new homes, selling new cars—if you can

do these things in the proper way the first time, you will have undreamed of efficiencies. And it will help the economy, not hurt it.

So I thank you for what you're doing.

[A participant noted the improvement of water and air quality in Guilin since the 1970's, discussed the city's current environmental problems, and noted the impact of tourism on energy. The participant concluded by expressing the hope that cooperation on environmental issues between the U.S. and China would improve owing to the President's visit.]

The President. One of the things we find—I'd like to ask Mr. Kong to talk next and then come back to Mr. Zhou, because I want to pursue this. I think it's a very good thing if one business does the right thing here, but if you don't have legislation, sometimes it can be unfair to one business. Because if one business does the right thing and the others don't, then the business that's the most responsible could have a hard time making a profit. But if everyone in the province or country has to do it, then everyone is in the same footing.

I would like to ask two questions. One is, if you were to adopt legislation, say, limiting the discharge of factories into the water and requiring that it be treated, would it be done at the provincial level or the national level? And two, are there funds available from the National Government to help communities like Guilin finance sewage treatment centers for the tourists or for the people who live here?

Because 20 years ago in the United States, this was a horrible problem. And I grew up in a little town—a town not so little, about 35,000—that had 3 lakes. And the lake with the largest number of people living on it and the largest number of tourists was totally polluted. But we could not afford to fix it. But the National Government said—they gave us over time about 65 percent of the cost of it, and we came up with the rest, and we cleaned up the lake. So now the children can swim there. People don't get sick if they ingest the water. But we had to have some help. Where would the laws come from, provincial or national level? And is there now a fund which helps you with the sewage treatment?

[A participant responded that China has national legislation governing water and air pollution, noise control, marine environment, and wildlife protection. In addition, provincial level legislation also exists. The participant noted that all factories comply to the same standards and explained that most funding comes from the National Government, but it is supplemented by some local taxation and factory fees.]

The President. It can be more stringent?

Participant. Can be more stringent. It only can be more stringent.

The President. But not weaker? That's good, yes.

Participant. But funds from the central Government, basically—the investment for the environment basically is the responsibility for the local government, including fees. The central Government gave them a little money. It basically is not a common case. The reason is that—so in this case the central Government gave them some money. But basically it was provided by themselves, locally.

The President. You actually—you're a lawyer, and you helped to write these laws, right? [Laughter] So what do you think the next step should be? What is the next most important thing to be done?

Participant. I think the central Government should provide some additional funding to local government—is my personal will. And—[inaudible]—people, they share the same idea. But we have some different ideas from the economic people, from—[inaudible]—people. So we still have different views and positions on this issue.

The President. Let me say, in our country there is still a big fight over every new step, because there are always people who are afraid that if we take a new step, it will hurt the economy. But in the end—he talked about the tourists—if you want the tourists to come to Guilin, you have to have a clean environment. If you want a stronger economy, you have to produce healthy children. So at some point we have to see these things together.

Participant. The problem right now is the fee or the penalty is too light.

The President. Too light?

Participant. So a lot of our experts suggest to raise the penalty for the polluters.

[A participant noted the difference on the emphasis placed on enforcement of environmental laws in the U.S. and China.]

The President. Do you believe—let me ask you this, do you believe that most ordinary Chinese people believe that the environmental standards should be raised, that they basically support a strong environmental policy?

Participant. I think this public awareness is still not so strong, so public should be educated, make them know they have a right to that.

The President. That goes back to what Mr. Liang says about educating the public.

Mr. Kong, why did you clean up your factory if you didn't have to do it?

[Kong Fanjian, founder and president, Liquan Brewery, described himself as an entrepreneur and offered the view that business must make a profit, but it must also protect the environment in which it operates. He recounted how his company asked its shareholders not to accept their dividends until it could develop a waste treatment facility to keep from damaging the Li River. His company has invested in many environmental

projects but has yet to turn a profit. Mr. Kong expressed the need for more public awareness and assistance from the National Government.]

The President. I know we have to go out to the program, but I wanted to give every one of you a chance to say—is there any specific thing that you believe that I could do or the United States could do in partnership with China that would be most helpful to you in what you're trying to achieve? If you were to ask us to go back and work with the Chinese Government on one thing that we could do or with our business people on one thing to be helpful, what would it be?

[A participant suggested more direct communication between American and Chinese environmentalists, rather than merely in government circles. The participant felt the Chinese could benefit from the maturity of the American environmental movement and suggested an educational television program be produced.]

The President. So you think, for example, if we could arrange to have some of our leaders of our environmental groups come here and meet with citizens like you, you think that would be helpful?

[The participant responded that it would be helpful and again suggested that an American-produced television program on environmental protection could be used on Chinese national television to broaden public awareness about environmentally hazardous materials, such as one-time-use products.]

The President. One-time-use, yes. Yes, I agree with that.

[The participant then described efforts to attract a National Government organization training center that might provide training for the enforcement of environmental law. The participant then noted that the U.S. lags far behind Europe and Japan in providing assistance to China on environmental issues.]

The President. I agree with that. Give that speech to the Congress. Unfortunately, all the people here from my Congress agree with you, but we believe that the U.S. Congress does not give enough aid in these areas. And I think it is a huge mistake, and I'm always trying to get more. So I will take what you said and publish it widely when we get home.

You raised another issue that I think is important. We have this rule of law project with China, and my wife met with some people earlier in the week about this. But what happens when you have these environmental laws and the government has to enforce them is you will always have some honest disputes. And so there has to be some way of resolving them. When our environmental agencies impose regulations, if the companies think they're wrong or unfair or they made a mistake or they think they have a cheaper way to do the same thing, well, they have a way to go into the courts, and we examine that. So there has to be—I agree with you, that will be a part of it.

What else? Anybody else want to say what you think of that? Yes, Mr. Zhou.

[A participant suggested the President could support Chinese environmentalists in achieving an alliance with American business leaders to promote energy efficiency in China. At this point, there was a break in the transcript, and it picked up with a participant describing the difficulty of balancing economic progress and environmental protection.]

The President. It's an honest problem, too. And in the rural areas in all developed countries, people tend to be poorer. And they have to make their living, they believe, from natural resources. I told you, we had the same problem with the old-growth forests, and we had never handled this very well. So, in 1993 and '94, the Congress adopted a plan that I asked them to adopt to provide extra funds to these communities which were making the money from the logging to try to change the basis of their economy.

To be honest, no one knew whether we could do it or not. We didn't know. We thought we could, but we didn't know. But I can tell you now, 5 years later, the unemployment rate in all those communities is now lower than it was before we started to protect the trees. So over a 5-year period, we were able to do this. And I think it requires a lot of effort and some money and a lot of thought and very good, vigorous local leaders. You have to have local leaders who have confidence and then people who can change, you know. But I think this can be done.

[Liao Xiaoyi, founder, Global Village Cultural Center, described her women's nongovernmental organization's focus on sustainable consumption and children's education. Her organization received a grant from the U.S. Environmental Protection Agency and used it to publish a children's environmental guide.]

The President. Really?

[Ms. Liao noted that women are an important force in the environmental movement because as mothers they care for their children's futures. She described her organization's annual forum on women in journalism and the environment. She noted that women are consumer decisionmakers receptive to ideas such as recycling. She expressed hope that more cooperation between the two nations will be promoted by the President's visit.]

The President. Thank you. I agree with that. But interestingly enough, as a result of what you're saying—and that goes back to what Mr. Liang was saying—I think the more awareness the children have about this, and the more this is taught in school, the better. Because in our country now, I believe that the children are the strongest environmentalists.

You know, when I visit a community in America, suppose I—next week I have to go to Atlanta, Georgia, when I get back—very often a group of children will meet me at the airport, and they will bring me letters that the children have written. Sometimes they're 6 years old, these children, very young. And I always look over these letters to see what they're writing me about. They ask me questions, and sometimes they're, "How do you

like being President," or something. But there are more letters from children age 12 and under on the environment than any other subject now, for the last several years.

So when the children begin to ask their parents about this, when they begin to talk about this at dinner, when it becomes a concern for the children, and then when the mothers are concerned about their health, I think it can change a country. No American official can talk to any group of schoolchildren for 10 minutes without being asked about the environment. It's an amazing thing. The children are sort of out there.

Well, I suppose we better go do the program, but this is very helpful. And we have taken careful note of what you have all said, and we will try to follow up. And I admire you all very much, and I thank you for what you're doing. It will help not only the Chinese people, but all the rest of us as well.

Thank you.