

World Trade Organization Talks in China

Q. Mr. President, can you give us a read-out on the WTO talks in China? Any progress there?

The President. No. I can't. All I know is that they are going on, and we're doing our best.

I've got to run to Pennsylvania.
Thank you.

NOTE: The President spoke at 10:05 a.m. on the South Grounds at the White House. In his remarks, he referred to John A. Koskinen, Chairman, President's Council on Year 2000 Conversion.

Remarks in a Roundtable Discussion With Harley-Davidson Employees in York, Pennsylvania

November 10, 1999

The President. Let me just say first, I have had a great tour. I'm glad to be here. Thanks for the jacket. But thanks, most of all, for your wonderful job you do. And I'd like to just have some opening remarks from Jeff and Harry, and then maybe we'll do a little roundtable discussion.

As you know, as I said, I'm interested in two things today. One is, how has Harley done it; what are the major elements in your success at home and around the world? And secondly, how important is the global market to the profitability and long-term success of your company?

[At this point, the roundtable discussion continued.]

The President. Several years ago, you were subject to unfair competition in the American market, and it took some action to get that straightened out. But one of the reasons that I wanted to have this new trade meeting that we're going to have next month in Seattle—we're going to try to launch a new round of trade negotiations, and the main purpose, from our point of view, is lowering tariffs to American products, because there's a lot more, not just yours but a lot of other products where, even though we have a very successful economy and relatively high wages compared to most other countries, we are

quite competitive in a whole range of areas if we can get these tariffs down. I think it's very important.

[The roundtable discussion continued.]

The President. You know, it's very interesting, I have tried to get the White House and the Government to operate more like you just described, and one of the real problems of doing it in politics is that if you make a mistake, it's big news. And if you don't, it's kind of like the dog that doesn't bark. I mean, it's not like—if you don't make a mistake, you sell a lot of motorcycles; the bottom line goes up. Sometimes if we don't make a mistake, you get your Social Security check.

And it's become—one of the things that Vice President Gore really tried to do with our reinventing Government initiative is to get decisions made more quickly by people that are closer to the decision point. And we tried to run the White House as a team and have people not be scared of their shadow when they come to work, to go ahead and make a decision and do things at work.

But it's very interesting to see what the problem in Government is, which is that—and I'm not blaming anybody and certainly not our friends in the press who are here covering this event—but it is—the pressures are great not to mess up, so that tends to set up systems that are too top-down, too rule-oriented. And we really tried to change that. And we've had pretty good success, I think.

But you've got to be willing—if you trust people to make decisions, you've got to be willing to make a mistake, because managers make mistakes, so workers are going to make mistakes. Everybody makes mistakes. I'd be curious to know how you handle that, how you deal with the inevitable occasional error.

[The roundtable discussion continued.]

The President. One of the things that will inevitably happen, and we deal with this in every trade negotiation, is you have more and more trade; you have to move toward greater uniformity; you have to respect other countries, their determination about what's safe and what's good. Sometimes a lot of these

standards are also a ruse to promote protectionism, and we've had a lot of problems with that, too, in addition to tariffs. We've had standards that—we used to have laughable standards with the Japanese, I remember, on things like importing skis and whether the skis were a quarter of an inch too wide or too narrow. So these things happen, and the only way you can change them is to enter into and do a negotiation and just keep trying to push through, push through. And then if the rules aren't followed once you've set up rules, as Tom pointed out, there have to be some consequences to them.

[*The roundtable discussion continued.*]

The President. That's a very important point. If people overseas aren't making any money, they can't buy whatever it is we're selling. But we have done that; the United States has maintained the most open market in the world. We've been fortunate enough to have low unemployment and low inflation for a long time, so it has benefited us as a whole. But it still puts enormous pressure on certain higher wage workers that are very competitive in a global economy if they have free access to markets.

So it's this constant balancing act for me, how to protect the overall health of the economy and still make sure that no sector is getting the shaft. But we do have an interest in other people making money. We ought to want our friends around the world to do well. That's the only way that we can—we have 4 percent of the world's people and 22 percent of the world's income. So you don't have to be an Einstein at math to figure out you've got to sell something to the other 96 percent, and they can only buy what they can afford to buy.

So to me, that's the ultimate logic of trade. But it's a constant fight to make sure the rules are fair.

[*The roundtable discussion continued.*]

The President. As I said, one of the major purposes of this new trade round we hope to start in Seattle next month is to get a comprehensive review of all the problems that are still out there and try to take them down. And I hope we can do it. I guess I ought to say this. In the first 5 years of my Presi-

dency, through 1997, 4½ years, 30 percent of our growth came from expanded trade. Then since—in '98 and the first half of '99, a higher percentage has come generated from domestic economic growth because of the Asian financial—but as they come back, it will be 30 percent or more, particularly if the European economy grows and they're relatively open to our products and services. We'll do even better than 30 percent, starting in, I'd say, 2 years from now.

[*The roundtable discussion continued.*]

The President. We've just been learning how these great motorcycles are made and the teamwork between management and labor here and also how they're sold not only in the United States but around the world. And their message is that if they have fair access to markets, they can sell them everywhere. And I believe they can—and that the partnership and the trust that exists between the people who work here and the management is a major reason for the absolutely stunning success that this country has enjoyed in the last several years.

[*The roundtable discussion continued.*]

Mr. Harry Smith. I want to thank you also, Mr. President. I think you treated labor very fairly over the years, and I think you've done one hell of a job. And we thank you for coming.

The President. I'm not done yet. But when I am, I'm going to get on one of those motorcycles. [*Laughter*] Most Presidents get on Air Force One and ride off into the sunset. Maybe I'll just get on a Harley and ride off into the sunset. [*Laughter*]

Mr. Jeffrey Bleustein. You can get on Hog One. We'll make one of those. [*Laughter*]

Q. Mr. President, can you tell us why you think education and teachers are becoming the showdown issue on the budget this year?

The President. I don't know why, except that I have very strong feelings about it. And the Congress changed its position from last year to this year—the Republican majority in Congress changed its position. We had an agreement last year. And there is something to the argument, well, if schools already have small class sizes, they should be able to use

the money on other things, but we have agreed to that. I just don't believe we ought to give a block grant out there when we know we've got the largest school population in history, the most diverse in history, and the kids who have small classes have permanent learning gains. We've got all this research that shows that. We made a commitment last year; I think we ought to keep our commitment. And I think we're getting closer. It may or may not be the last unresolved issue by the close of business today. But we're working at it.

[The roundtable discussion continued.]

The President. The people who are here like working here. I shook hands with a lot of the workers here today. They like it. They're proud of it. And all they want is a fair chance to sell their products. And I told them that when we meet in Seattle in this meeting of the World Trade Organization, what our goal is to open a new trade round that will reduce the tariffs and the non-tariff barriers to American products and services and, in return, make sure that people have continued access to our markets.

But these people here and your company prove, and so many others prove that if we have open and fair trade, the United States can compete with anybody. And it's the only way we can continue to grow our economy at a rapid rate, and at the same time help the rest of the world do well.

[The roundtable discussion continued.]

The President. First of all, I want to thank you for being here together and for working together and for making America number one in telecommunications in so many, many ways. And I want to thank all the people at all the other sites for their support for America's role in the global economy and for expanding the opportunities for trade.

We're going to be working hard for it. I think we need to work hard to keep trying to build a consensus in our own country for the expansion of trade and for policies that will support benefits to all Americans who are out there working every day and deserve to be a part of this global economy. And we'll keep working on it. And I thank you very much.

And I'd be curious, before we close, to know, do you sell Harleys over the Internet? And can I order one over the Internet? If not, Armstrong will provide at a very reasonable price a comprehensive way to do that. *[Laughter]*

NOTE: The roundtable began at 11:55 a.m. in the Conference Room at the Harley-Davidson Motor Co. plant. In his remarks, the President referred to Jeffrey Bleustein, chief executive officer, Harley-Davidson Motor Co.; Harry Smith, president, Local 175, International Union of Machinists; Thomas Buffenbarger, international president, International Association of Machinists and Aerospace Workers; and C. Michael Armstrong, chief executive officer, AT&T and chairman, President's Export Council, who led the final portion of the roundtable discussion via satellite teleconference to a trade dialogue with AT&T employees in Basking Ridge, New Jersey, as part of the National Dialogue on Trade. A tape was not available for verification of the content of these remarks.

Remarks to Harley-Davidson Employees in York

November 10, 1999

Thank you very much. Thank you. It's nice to be in a restrained, laid-back crowd like this. *[Laughter]* The truth is, it's wonderful to be in a place where people are happy, and they're not ashamed to be excited, and they're proud to go to work every day. Thank you very much for making me feel welcome here today.

Thank you, Jeff Bleustein; thank you, Bobby Ramsey. Old Bobby kind of hurt my feelings. You know, I went up to him and he said, "Well, you're not nearly as tall as I thought you were." *[Laughter]* He said, "When I saw you playing saxophone on Arsenio Hall, I thought you were a lot taller guy." *[Laughter]* And I said, "That's why I got elected President. I was 6'8" back then." *[Laughter]* But I still think you did a good job, Bobby, and I thank you.

I want to thank Bill Dannehl. Thank you, Harry Smith. I enjoyed meeting Willie Davidson today. And I thank Tom Buffenbarger, the president of the International Association of Machinists, for being here and joining us today.