Remarks to the Washington State Trade Community in Seattle, Washington

December 1, 1999

Thank you very much. Good afternoon. John, thank you for your introduction, and thank you for your example. I want to say a little more in a minute about the points that you made, but I thank you for being here.

Thank you very much, Patricia Davis. And I'd also like to thank the other people from the port here and the American Presidents Line who gave me a tour earlier of the port and how it works, with the rail and the trucking systems of this area. I thank you, Secretary Glickman and Secretary Slater, who's also here, for your support of trade; and Senator Murray, who had to go give another speech; Congressman McDermott, Congressman Inslee, from here in Washington.

We have a very large delegation from Congress. I'd like to ask all the Members of Congress who are here to please stand, so you'll see what the level of interest is. We have Representatives from the House and the Senate, from the Republican and the Democratic Parties here. And we're very glad to be in Washington State, Governor Locke, and in Seattle, Mayor Schell. We thank you for hosting us.

I thank all the other farmers who are here. And I'd like to say a special word of welcome to the children who are here, who are part of the WTO Trade Winds program.

Last year, Seattle sold $34 billion in exports to foreign markets, making it the largest exporter among all American cities, everything from airplanes to apples. The control tower I just climbed, therefore, offers an interesting vantage point, not only of what was once a condemned toxic waste site and is now a wonderful, flourishing economic asset but, in a larger sense, a vantage point of the 21st century world that I think we ought to be building for our children.

It's a perfect place to talk about what we came here to the WTO meeting in Seattle to do, to open markets and expand opportunities, not only for our people but for people all around the world, from the world's newest business, E-commerce, to the world's oldest business, farming. We came to talk about trade and to talk about trade in the context of an increasingly globalized society.

Now, I want to say just a few words about all the rather interesting hoopla that's been going on here. We need to start and ask ourselves some basic questions: Do you believe that on balance, over the last 50 years, the United States has benefited from world trade? I do.

There wouldn't be nearly as many family farmers left in America as there are today, with all the mechanization and the modernization, if we hadn't been able to sell our products around the world, because we can produce more at higher quality and lower cost than any other country in the world in so many products. Today we have about 4 percent of the world's people. We enjoy about 22 percent of the world's income. It is pretty much elemental math that we can't continue to do that unless we sell something to the other 96 percent of the people that inhabit this increasingly interconnected planet of ours.

Now, if you look at where the farmers in our country are today—whether they're row crop farmers like most of them in my home State of Arkansas, growing soybeans and rice and cotton and wheat or people who grow fruit in Washington State or vegetables here and on the east coast—one of the biggest problems we've got is low prices because of the Asian financial crisis. And it's been a terrible burden. In addition to low prices, many of our farmers have been victimized by terrible, terrible weather problems. And finally, they deal with market after market after market where they could sell even more than they do if the markets were more open.

I personally believe, for the farmers that are in our national farm programs, we're going to have to adjust our national laws if we are going to stop having an annual appropriation of the surplus that's as big as what we've been doing the last couple of years. But over and above that, for the farmers, like the people that run our apple orchards that aren't in the farm programs, we've got to keep fighting to open these markets.

Now, we do that against a background of people who are raising more and more questions about the global trading system and about the process of globalization in general.

When I see all these people in the streets here, I'd like to point out that among—a lot of people who are peacefully protesting here in the best American tradition, are protesting in part because the interests they represent have never been allowed inside the deliberations of the world trading system. And I went all the way to Geneva last year to talk to the WTO to tell them we had to change that; we needed to open this system up.

For most of the last 50 years, trading issues, when they were finally decided, were the private province of CEO's, trade ministers, and the politicians who supported them. Now we know we have to continue to open markets, we're reaching out to places like China. We're trying to do more with developing nations. We're trying to build more partnerships with governments and industry and labor and management. But we can't do any of it unless there is a broader consensus on trade that reaches deep into our country and to other countries.

So I say that for those who came here to peacefully make their point, I welcome them here because I want them to be integrated into the longer term debate. To those who came here to break windows and hurt small businesses or stop people from going to meetings or having their say, I condemn them, and I'm sorry that the mayor and the Governor and the police officers and others have had to go through this. But we need to make a clear distinction between that which we condemn and that which we welcome.

I'm convinced we do have to open the WTO and the world trading system to greater public scrutiny and to greater public participation. Because unless real people, like this apple farmer from Washington, can say, "This is how I fit in the global economy. This is why my family and I are better off than we otherwise would be," over the long run we're not going to be able to continue to bring the world together, which I think is important to America economically, and I think it is very important politically that we continue to work closely with countries and encourage them to follow good rules of law and adopt good economic policies and to be good neighbors and not hostile neighbors.

There are a lot of opinions being expressed here among a lot of the folks that are out in the streets, and representatives of groups that I will meet with later today, that I do not agree with. But I am glad that there is such intense interest in this meeting, because it shows that people really do care about this now, and therefore, trade decisions, like other decisions we make in the Congress and in Washington and in the statehouses around the country, have to become part of the democratic process.

You know, every elected official here will tell you that there are some decisions that you really have to consult heavily with the people you represent before you make, and other decisions you know they've just sort of given you a contract on. They say, "Oh, well"—the people in North Dakota—"I know Congressman Pomeroy or Senator Conrad, and I don't understand that issue very much, but whatever decision they make is okay with me because I trust them."

And it's not that way any more here with trade. We have to bring people into this tent, and we have to do it in an effective way. But I think, at least for people like me—and I haven't even succeeded in bringing harmony, I know, within my own party about this—but I do not see how we can have the country and the future we want unless America continues to be a leading force for expanding trade, expanding markets for goods and services, expanding the reach of international commerce, doing it on fair and decent terms, being sensitive to the burdens that the poorest countries have, and understanding that, while a concern for labor or the environment could be twisted to be an excuse for protectionism, it is not wrong for the United States to say we don't believe in child labor or forced labor or the oppression of our brothers and sisters who work for a living around the world. And we don't believe that growing the economy requires us to undermine the environment.

You know, you just look at this port here. What they're doing with multimodal transportation here is saving huge amounts of energy, dramatically reducing greenhouse gas

emissions, as it promotes economic growth. You're going to see the growth, in my opinion, in the next several years of alternative fuels, much of it coming out of America's farming areas, which will dramatically reduce greenhouse gas emissions, reduce global warming, and accelerate economic growth. So I strongly believe, if we want to get everybody together and move forward, we are going to have to listen to people who have legitimate economic concerns, legitimate environmental concerns, legitimate labor concerns.

So one of the things that I think we've got to be clear on—everybody has to decide—do you think we are better off or worse off with an increasingly integrated global economy where productive Americans have a chance to sell their goods and services and skills around the world. I think we're better off. That's the number one core decision we ought to make up our mind as a country we agree about.

Now, I want this new trade round at the WTO to be about jobs, development, and broadly shared prosperity and about improving the quality of life and work for ordinary people all around the world. It isn't right for me to ask for the good things I want for America's working families without wanting to provide those opportunities for others who are willing to work for them.

The impact of this round could be quite profound. Since the first trade round 50 years ago, we've cut major nations' tariffs on manufactured goods by 90 percent. During the same period, global trade has grown fifteenfold, and we've seen the most rapid, sustained economic growth, not just in the United States but throughout the world, in any period of human history because we're working together.

Are there difficulties? Are there problems? Are there disagreements? Of course, and there always will be. That's why you have to have some system to resolve them. Whatever system you adopt, will there always be a mistake made by somebody, somewhere, sometime? Of course. We're all human.

But we need to keep our eyes on the objective and increasing economic cooperation is in the interest of the ordinary citizens of the United States and the rest of the world. If we expand access and we do it on fair terms and we're sensitive to the legitimate difficulties these poor countries face, we can also advance the cause of the environment and labor conditions without it becoming a shield for protectionism and trying to take unfair advantage of countries that are poorer than we are. I believe that.

But again, let's keep our eyes on the big issue: We cannot grow the American economy in the 21st century unless we continue to sell more to a world that is prospering and that is more connected, increasingly, in information technology and travel, not only with us but with everyone else in the world.

The typical American—let's just take apples, for example—the typical American eats 20 pounds of fresh apples each year. And this is a pander to Washington State, I am not the typical American; I eat more. [*Laughter*] This is a pander, I admit. But the typical European consumes about 46 pounds of apples a year. So America exported $353 million worth of apples last year. More than a quarter of the total, 46,000 metric tons, were shipped here, from Seattle—Red Delicious from the Lake Chelan region; Granny Smiths from the Columbia basin; Winesaps, Fujis, Galas grown in Washington State, boxed and bound for Mexico, Malaysia, and more than 40 other countries around the world.

I have worked very hard to open these markets. We opened the Japanese market for the first time to Washington State's apples in our administration. Then we fought to get the barriers down in Washington, in Mexico and elsewhere. And we're making some progress.

But it is very important to recognize—go back to John, or go back to—those of us who come from farming States. Farmers are the lifeblood of our country. They are better at what they do, thank goodness, than any group of people on Earth. But we cannot preserve family farms unless we sell more of what we grow to more people around the world, because the structure of agriculture we have, to make a living, has to produce a lot more food than all of us can consume.

And that is a good thing. That can be a gift to the rest of the world. It can free other countries to work on what they need to do to develop the capacities of their people, to

focus on diversifying their own economies. And we have to find a way to reach agreements to do that.

Five years ago we joined with our trading partners to put agriculture on the WTO agenda. We made some progress then; we pledged to come back and do more. Today, our agenda here is to fight and win for the family farmers of the United States. We want to level the playing field. We don't want any special preferences. We just want agriculture to be treated as fairly as any other sector in the global economy.

I know that's long overdue, and I believe it is the due of every farm family in America, whether an apple farmer in the Cascades, a banana farmer in the Cameroon, any farmer deserves a chance to compete. It is not just American farmers that would be benefited from this. Some of the poorest countries in the world would get the biggest benefits out of this trade round if we continue to tear down barriers to agricultural exports. They shouldn't have to compete against state-owned enterprises, restrictive regulations, the size of other countries' Government grants.

In the European Union, for example, which accounts for 85 percent of the world's agricultural export subsidies, half of the overall budget is spent on agriculture. Now, I appreciate their support for their rural communities. We've always wanted to support our rural communities. But we have to work out a system going forward where everybody can do what they do best. And then people have to be given time and support and investment to make the transitions into the new economy. That's all I'm asking for, and that's all I would ever ask for, for people here in the United States.

We have to lower tariff barriers; they're too high. On average, official rates abroad are 5 times as high as they are here in America. Taking apples as an example, it was just mentioned tariff rates are 45 percent in Korea and 30 percent in China. One of the reasons that our people in our economic team, Charlene Barshefsky and her group and Gene Sperling when they went to China, they negotiated a steep cut in the tariff in China to 10 percent by the year 2004. That's more apple sales from Washington. It will help more family farmers.

We will also work to reduce domestic supports that don't support trade, so much as distort it by paying farmers to overproduce and drive prices down, and we see that in a lot of places in the world. That should not be the case. We know that our farms can produce a vast and varied supply of food at affordable prices in a way that helps to reduce hunger and malnutrition around the world. We also should see that the promise of biotechnology is realized by consumers as well as producers in the environment, ensuring that the safety of our food is guaranteed by science-based and absolutely open domestic regulations. And we should maintain market access based on sound science.

I want to say to the people of Europe and all around the world, I would never knowingly permit a single pound of any American food product to leave this country if I had a shred of evidence that it was unsafe and neither would any farmer in the United States of America. I say to people around the world, we eat this food, too, and we eat more of it than you do. Now, if there's something wrong with anything we do, we want to know about it first. But we need to handle this in an open, honest way.

It shouldn't be just about politics and emotionalism and short-term advantage. We need an open system. There is a reason we have confidence in the Federal bodies that analyze the safety of our food. They may not be perfect, but nobody believes they are in anybody's hip pocket. They are the world's best experts. We have an orderly, disciplined system here for evaluating the safety of not only our food but our medicine. And we ask all of our trading partners to do the same and to deal with us in a straightforward manner about this.

But everybody must understand we have nothing to hide, and we are eating this food, too. Nobody is trying to do anything under the table, in secret, in an inappropriate way. But neither should our farmers be subject to unrealistic delays and unfair discrimination based on suspicion unsupported by the latest scientific examination. Let's handle this in an open, fair, scientific way. That's the right way to do this.

Now after I leave you, I am going to go meet with the trade ministers that are here from more than 100 countries. It's a great honor for Seattle, for the State of Washington, and for the United States to have these people come here and to try to come to terms with a lot of these very difficult issues. I want to talk about how we can make sure that ordinary working people all across the world feel that they have a stake in an improving global economic system. I want to assure them that we have to do what is necessary to make sure that economic competition lifts people up everywhere.

Now there are people, again I say, who honestly believe that open trade stacks the deck against ordinary people. Thirty percent of the growth we've gotten in this country, 30 percent, between 1993 and the time of the Asian financial crisis, came because of expanding trade. We had pretty good farm years in there too, folks. It's hard to remember it's been so bad the last year or so, but we had some pretty good years.

And we have got to figure out a way not only to sell the idea but to make it real, that we can continue to pursue these objectives in a way that lifts people's quality of life up and lifts the ordinary living standards up for people throughout the world. We can do that.

Now let me finally say that I know these questions won't be easy. One of the things I've learned in all trade cases is that it once again reaffirms the wisdom of the Italian Renaissance political philosopher Machiavelli, who said—I'm paraphrasing here, but this is almost exactly right—he said there is nothing so difficult in all of human affairs as to change the established order of things, because the people that are going to win will always be somewhat uncertain of their gain; whereas, the people who will lose are absolutely sure of what they are going to lose.

So this will require some amount of imagination and trust and humility and flexibility. But if we're going to have a world, rule-based trading system, then we have got to make it work for ordinary folks. But we in America, we have to take the lead in continuing to make the main point. The world is a better place today after 50 years of more open trade than it would have been if we hadn't had it. Americans are better off today after 50 years of open trade than they would have been if we hadn't had it.

And what has helped us will help the poorest countries in the world, the wealthy countries, and the countries in-between if we find a way to continue to draw together and to deal with the legitimate concerns of the legitimate protesters in the streets of Seattle.

And you know, to me it is a very exciting time. This is a high-class problem, and we ought to treat it as a 21st century challenge, worth our best efforts. If we do, I think we'll get a good result.

Thank you very much.

NOTE: The President spoke at 12:37 p.m. in the Weyerhauser Facility at Terminal 5 at the Port of Seattle. In his remarks, he referred to John Butler, apple grower, who introduced the President; Patricia Davis, president, Seattle Port Commission, and president, Washington Council on International Trade; Gov. Gary Locke of Washington; and Mayor Paul Schell of Seattle.

Exchange With Reporters in Seattle

December 1, 1999

Disruption of the Seattle Round

Q. Mr. President, what message do the violence and protests send to the WTO officials and delegates here?

The President. Let me say this, I think that the WTO officials are quite well aware that the violence is not representative of how the American people feel, that nearly 100 percent of our people abhor what was done and condemn it. We don't believe in violence. We don't believe in people who keep other people from meeting. We don't like that.

I think that what the WTO people are here is to pay attention to the nonviolent protests and should open the process and find a way to legitimately consider the grievances of the poorest nations, as well as those of us who believe that we have to give greater concern to the environment and to labor standards and our trade measures. And I think—that's what I think they should listen to. They should give no consideration to the violent