

bottom five in America. We had one of the toughest balanced budget laws in the country. And when I asked the people of my State for more taxes it was always to pay for something specific, better schools, better roads, more jobs, in a trust fund. I never ever dreamed I would be in a position in my life asking people to pay \$1 just to bring the deficit down. But we got ourselves in this fix, folks, over a long period of time. And until we get our interest rates down and regain control of our economic future and show that we have the discipline to handle our affairs, it is going to be very difficult for us to do a lot of these other things that all of us want to do.

These decisions are not easy, but we must make them. So I ask you again, encourage Senator Kohl and all the other people in the United States Senate, encourage Senator Feingold, encourage them all to give me a good budget with less taxes and more spending cuts. But remember the principles: make sure the money goes to deficit reduction; invest some in our

economic future, because that's important; make sure the people who can pay do; don't take the welfare reform initiatives out of it; and remember that in the end, the private sector creates the jobs, so leave the incentives in there.

And let me say this: 50 of the 100 biggest companies in this country have endorsed this program. I have been very moved that so many people in upper income groups, who are going to pay the overwhelming majority of these taxes, have endorsed this program, because they know that it is imperative to get control of our future. And I ask you, the people of Wisconsin, to endorse the program for the future of your children and our Nation.

Thank you very much, and God bless you all.

NOTE: The President spoke at 12:10 p.m. in the Milwaukee Exposition Convention Center and Arena. In his remarks, he referred to Milwaukee Mayor John O. Norquist.

Exchange With Reporters in Milwaukee

June 1, 1993

President's Priorities

Q. [Inaudible]—view the whole treatment where you basically—first with having to deal day after day with the news accounts that kind of talk about the haircuts and the Travel Office and things? No, no, I'm asking you how important—

Q. That's a cheap shot. That's a cheap shot. You are the President of the United States. You should—

Q. Can I do my job, please?

Q. Get out of here. We don't need those cheap shots. That's a cheap shot. Get out of here.

The President. The answer is, I have to work in Washington, but you have to work outside, too. The real issue is not so much what you said, but the real issue is, I secured agreement early on for about \$250 billion in tax cuts, spending cuts, I mean, a little under, about \$245 billion. And as a result of that, because they weren't the focus of controversy, no one knows we did it.

And then we got agreement early on for the new incentives, for small businesses and for starting new businesses and for investing in our depressed areas, reviving the housing market. Because there was no controversy, people don't know we did it. So the only controversy has been over the taxes. It's important that people know that there are budget cuts in here. It's important that people know there are real incentives to the private sector in here. It's important that people know what we still spend money on. And it's important for people to know that over 70 percent of the money is being paid by the top 6 percent of income earners. If I don't get out here and do all that work, they won't know it. So that's what I'm doing.

Health Care Reform

Q. Let me follow, sir. Are you going to recommend a tax on hospitals to pay for the health care program on the theory that they're going to have a windfall profit from your reform program?

The President. Well, let me say this, if we

do it right, they will have significantly lower administrative costs. That is, if we do health care right, they will have lower administrative costs. Let me just give you one example: The average American doctor in 1980 took home 75 percent of the income that he or she generated into the clinic. By 1992, that figure had dropped to 52 percent, all the rest of it going to administrative costs caused by insurance companies and the Government just piling on regulations and rules and paperwork and thousands of different insurance costs. If we simplify that, their costs will drop dramatically.

So one of the options that has been recommended is that we leave some of that money with them but have some of that money flow back in to cover the uninsured, which will also help them because that will come right back to the doctors and the hospitals in the form of insurance for the uninsured. So it would be almost like returning the money to them in a different form for services rendered. We'll just have to see whether that works out. No final decision has been made on that.

Q. But you like that idea?

The President. I have made no decision on it. I don't want to flame the story anymore. That is one of the options that has been presented, and one of ones that, frankly, some hospital people have talked to us about.

Q. Are you going to hold off the health plan until the fall, Mr. President?

Q. That's all. You talk—

The President. Hold it off until what?

Q. Are you going to hold off the plan until the fall to let the Congress concentrate—

Q. That's enough.

The President. Oh, no, no, no. I hope we move this budget through in a hurry.

Budget

Q. [Inaudible]

The President. [Inaudible]—I think he's got some really good ideas. But once he committed himself to cutting as much as he did, he actually lost more Republicans than I lost Democrats.

Q. It's just the issue of party politics that you talked about. The Democrats, I feel, are doing the same thing. So I just think you should address that part of it. The Democrats are doing the same thing.

The President. Well, I didn't let them off the hook.

Q. I'm just bringing up the point because the people need to know that.

The President. I have nothing to add over and above what's been in the paper already. I mean, the Senators on the Senate Finance Committee have discussed with me and also with the House Members who voted for this program the options that are there within the principles that I established. I always said—on February 17th I said if we can meet these principles, \$500 billion in deficit reduction, aggressive taxation, incentives to invest in America, move from welfare to work, lift the working poor out of poverty, and these targeted investments in technology, jobs, and education which will meet those principles, with some less tax and some more spending cuts, I'm for it. And I think that's what we're working toward.

Q. What would you be willing to accept in less taxes—

The President. I'm not going to get into that.

Q. How about—

The President. No, I'm not going to get into it because Congress is on recess and our commitment is twofold, of our administration. One is to work with the Senators of any party who will work with us and, secondly, to make sure the Senate Finance Committee works with all the House Members who voted for this budget with our solemn commitment that we would all work together in the Senate to keep these principles intact and see if these principles can be achieved with less tax and more spending cuts. So that's what we're trying to do.

Q. Good way to sell your plan here?

The President. Oh, I think so. This was terrific. I loved it.

Russia

Q. What's your position on Russia's not paying back your \$80 billion in debt, loans that are still outstanding?

The President. They're broke. They can't right now.

Q. What is your feeling on that? Are you looking for them to repay those loans in the next 2 years, or is that part of their plan to balance the budget?

The President. They can't do it right now. They have no money. They're absolutely flat broke. What we ought to do—I think the Russians have now undertaken—their recent credits, in other words, the things that they've gotten since they adopted a free market approach, since they got rid of communism, I think they will

honor those debts once they start making money again. But the history is that countries need a few years to basically move from a Communist economy to a free market economy. As they do that and they begin to acquire some success, then I think they'll be able to pay down their debt. But the dilemma now is if we tried to make them pay it off now, we'd just drive them further in the economic hole and run the risk of having them revert to a dictatorship of some kind. And we don't want to do that.

So I wouldn't let anybody off the hook that could pay it back, but the point is for them, they never really—unlike the Chinese, for exam-

ple, who were traders for centuries and had a whole market history, the Russians essentially went from a feudal agricultural economy under the Czars to a Communist economy that then became dominated by heavy industry. And moving into a modern free market economy is very difficult for them.

Q. So we're going to work with them?

The President. Yes, I think we should.

NOTE: The exchange began at approximately 1 p.m. outside the Milwaukee Exposition Convention Center and Arena. A tape was not available for verification of the content of this exchange.

Remarks to Bay View Community Members in Milwaukee

June 1, 1993

The President. Thank you very much. I want to thank Gerry Kleczka and everybody else. But I especially want to thank the Langer family for bringing me to Bay View. I'm glad to be here. When I was on the way out here today the mayor said that he was the mayor of Milwaukee and Bay View and that I needed to know that if I was going to come here. So I'm glad to be here. I also want to introduce to you Wisconsin's newest Member of Congress, Mr. Peter Barca, who just showed up.

I'm sorry you all are in there behind that fence, and I look forward to getting out and shaking hands with you. I just wanted to say one or two things before I do. I was just in downtown Milwaukee, speaking with several thousand people about the economic plan that I have presented to Congress. And there are two or three things that I want to say to you about it so you'll all know, because there are a lot of things that have not been brought out that I think you're entitled to hear.

First of all, this plan has over 200 spending cuts. I see all these signs saying, "Cut spending." Where were you when we cut them? It has a lot of spending cuts in it, over \$240 billion.

Secondly, the tax increases in this plan all go to reduce the deficit, and over 74 percent of the money comes from people with incomes above \$100,000. Families with incomes below \$30,000 pay nothing. The other thing I want to tell you is, if your income is above \$30,000

and below \$100,000, depending on the size of your family, the energy tax that the House approved costs you a dollar a month next year, \$7 a month the year after that, and for a family of four, \$17 a month the year after that. All of it goes to reduce the debt.

I think it's worth doing. It's brought interest rates down to a 20-year low. We have interest rates at a 20-year low. That means Americans are going to refinance their homes, get lower car loans, refinance their business loans, get lower consumer loans, lower college loans. It will save \$100 billion for American businesses and individuals this year if we can keep those interest rates down. So I want you to support that.

The second thing I want to say about it is this: We have put forward a program which will open the doors of college education to all Americans, just like I promised in the campaign, lower interest loans, better repayment terms, and giving tens of thousands of Americans a chance to pay their college loans by serving their communities here at home, by working to make their communities a better place.

The next point I want to make is that as soon as this budget is over, just like I said in the campaign, we're coming forward with a plan to provide health care security, affordable health care, to the working families of this country, who have been savaged by high costs, insufficient coverage, and the inability to change jobs