

because somebody in their family has been sick. This administration is about jobs, incomes, health care, education, and training, and bringing this deficit down.

Now, I want to say one last thing. I heard all this talk in the country about how this is a tax program. I just want to make this point. It is not just a tax program. It's an economic program. It is over \$240 billion in budget cuts. We're going to reduce the size of the Federal Government by 150,000. We are——

*Audience member.* Make the cuts first!

*The President.* We are cutting first. That's what the budget resolution is all about. You can't raise taxes without the budget cuts. It's illegal now. That's the whole point. We won't have the tax increases without the budget cuts. It's all going to be put in a trust fund. And unlike all previous years, if we don't make our reduction targets and reduce that debt, the President by law is now required to come in and fix it, something previous Presidents did not have to do. We have changed the law.

And what you've got to decide is whether you want more hot air, more rhetoric, more politicians up there telling you what you want to hear, or somebody who will tell you the truth, turn the country around, and get the economy

going again. I think that's what you want, and I hope you'll support your Members of Congress and me as we try to do that.

Let me say one final thing. I think that a lot of you before I came here today had no earthly idea that we'd cut all that spending because the Congress didn't fight it; they just did it. I think you did not know also that families with incomes under \$30,000 were being held harmless because we had support for that. And you may not know that small businesses like Langer's Pharmacy are going to have tax incentives to reinvest in their businesses that were not there before if this plan passes.

This is a good plan for the economy. It's a fair plan for the middle class. It asks the wealthiest Americans to pay their fair share. And unlike previous plans, it's not a lot of hot air. It will do what it's supposed to do. I think we've had enough hot air for the last 12 years. Let's do something real and strong and move this country forward.

Thank you, and God bless you all.

NOTE: The President spoke at 3:45 p.m. at Jack Langer's Pharmacy. In his remarks, he referred to Representative Gerald D. Kleczka.

## Exchange With Reporters Prior to Discussions With Prime Minister Brian Mulroney of Canada

June 2, 1993

### *Prime Minister's Visit*

*Q.* Is this a hail-and-farewell visit?

*Prime Minister Mulroney.* I came down to see the President about NAFTA and some trade matters and Bosnia, where we have troops on the ground, and to work with him. We agree with the prudent and thoughtful course he's been pursuing there. And I'd like to talk to him about further engagement at the United Nations and also to say good-bye and to you, Helen [Helen Thomas, United Press International]. After a decade I thought I owed you a trip.

*Q.* Are you going to miss it?

*Prime Minister Mulroney.* Pardon?

*Q.* Going to miss it, aren't you?

*Prime Minister Mulroney.* Yes. All politicians suffer from decompression when they leave office.

### *Bosnia*

*Q.* Do you agree with the Bosnia policy?

*Prime Minister Mulroney.* Yes, I do. I agree that——

*Q.* You don't think it should have been more aggressive on the allied part?

*Prime Minister Mulroney.* Well, I've been astonished by some American commentators and observers asking for an American solution in Bosnia. There's no such thing. There is only a common solution, for all of us have to get into this together and accept our responsibilities. It's unfair to say that, oh, why don't we have an American solution to this intractable problem

that's gone on for hundreds of years. It's not available. But there is, perhaps, a better, as the President's pointed out, a better common approach that we can develop at the United Nations Security Council with everybody pulling his weight or her weight. And that's what we're going to talk about today.

#### *Btu Tax*

Q. Mr. President, Senator Boren says now that there can be no Btu tax—no longer a compromise, it's now none.

*The President.* I don't have any comment on that. I had a good visit with him. He called me the other day, said he was encouraged by where we were going, and he thought we would reach agreement. I'm not going to get into a verbal war of words. The Congress is out this week, and we're going to meet next week and try to work it out.

#### *Health Care Reform*

Q. Have you decided to push a health care plan?

Q. Are you going to pull the nomination of Guinier?

*The President.* No, we're working ahead. As a matter of fact, I've got another meeting, a big meeting on the health care issue this week. We are, you know, trying to—we're trying to do two things. We're trying to, first of all, to get as many of the kinks worked out as we can before we go forward. It's an enormously complicated issue. And then we want to make sure that we have, you know, discussed it with as many people as possible, many groups and everything, after we've reached some final conclusions, and that when we present it to the Congress, it's presented at a time and in a way that both the Congress and the American people can focus on it. But there's been no decision for a sustained delay here. I'm focusing right now on passing the budget when the Senate comes back next week.

Q. Will it be released this month?

*The President.* I don't want to get—I'm not in a time—I don't want to get—

Q. How about Guinier? Are you pulling out the nomination of Guinier?

*Prime Minister Mulroney.* Bye, Helen. [Laughter] On behalf of all Canadians, Helen, good-bye.

Q. Nothing ventured—[laughter].

[At this point, one group of reporters left the room, and another group entered.]

#### *Public Perception*

Q. Mr. President, are you as certain as the Prime Minister that NAFTA will pass? And do you plan on calling on his considerable experience in dealing with the perils of unpopularity?

*The President.* Well, these things go up and down. I mean, you know, the American people want something done about the deficit but very often don't want to—you know, when the coverage gets negative, because of the pain of it, it's something no one wants to face. I think what I have to do here is do more of what I did yesterday, force, force full coverage of—what's happened in our country is that there has only been discussion about the tax increases in the budget plan. So no Americans really know very much about all the budget cuts that are in there and all the tax incentives that are in there for investment for new jobs. When they know the whole thing and also when the middle class knows how small the burden is on them, then the support for the program and for the administration goes way up. So I'm laboring out there under a general perception that the administration has a tax plan that falls almost entirely on the middle class when, in fact, the administration has a plan for spending cuts, investment incentives to create jobs, and some taxes, which fall almost entirely on upper income people. And that's my problem. It's very difficult in the midst of a legislative debate to keep the public focus on that since the focus is always on controversy. But that's my problem, and I'll fix it.

#### *NAFTA*

Q. Why have you not gone out and fought—

*The President.* On NAFTA I think we can pass it with a very concerted effort if the Congress has some assurances on the environmental and labor issues. Keep in mind, the United States—as far as I know, no country has ever signed a trade agreement which—also an investment agreement, which—at least millions of Americans feel is an investment agreement that would encourage people to invest in another country for production in our market, not in theirs. And so that is the tension here that—I keep arguing to the American people that that could happen anyway, that under our present law, people, if they choose, can go and produce

in Mexico for the American market. But that causes great tension here when we've had 20 years of virtually flat wages for middle class working people.

I believe NAFTA will create jobs and raise incomes in both the United States and Mexico, and I think it will help Canada. I have always believed that over the long run, the integration of our three economies and the potential that gave us to continue to move south into other market economies in Chile and Argentina and Venezuela and others was enormous. And I think eventually we'll get there. But it is going to be a very tough fight.

*Ross Perot*

Q. Why have you allowed Ross Perot to shape the debate on that—

*The President.* I haven't. I haven't allowed it at all. I don't agree with his position. I don't agree with his assertions, and I don't agree with the evidence that he offers. But you know, in this country we have a free press. I can't control who gets what kind of press coverage. That's what the first amendment is all about.

*Prime Minister Mulroney.* I saw Ross Perot's appearance on television the other night, and I've heard every single one of those arguments from the Socialists and the protectionists in the Canadian House of Commons. There's not a single word that was new. The fact of the matter is that it's all contradicted by the facts. Canada and the United States entered into a free trade agreement in 1988. We've since been mired in a recession. Even in those 4 difficult years for both countries, American exports to Canada have increased by approximately 25 percent, thereby creating 1.4 million new jobs in the United States. And Canadian exports to the United States have increased by a like amount. Well, this is clear indication that prosperity comes through these lowering of trade barriers and the creating of new pools of common wealth.

What Mr. Perot's argument is—I saw anyway, and I don't know him and he seems to be a fine fellow—is that wage rates alone are a determinant of competitiveness. Wage rates are one of many considerations of competitiveness, cost of capital, infrastructure, education, technology. And if wage rates alone determine the location of industry, Haiti would be the manufacturing capital of the world. Our productivity is so far and ahead above that of Mexico that to make

the argument simply on the basis of wages is misleading in the extreme.

I think the President's point of view is a very valid one. It's one that we support. And the evidence appears to be there that when you lower barriers to trade between and among friendly countries, you create new pools of wealth, and you raise the living standards of everybody affected by it. You don't lower standards. And so these arguments, I have to tell you—Mr. Perot may have some better days. But I want to tell you that his arguments, he might be surprised to find that he's been poaching those arguments from the Socialists in the Canadian House of Commons, and they might sue him for copyright infringement. [Laughter]

Q. Mr. President, you that Mr. Mulroney is leaving office—

*The President.* On NAFTA, let me say one other thing about NAFTA. President Salinas, when he took over in Mexico, unilaterally reduced a lot of very high Mexican tariffs with the consequence that the United States went from a \$5 billion trade deficit with Mexico to a \$6 billion trade surplus. And last month, Mexico replaced Japan as the second largest purchaser of our manufacturing products. So we are, in effect, opening our trade relationships anyway. It's been, on balance, beneficial to the United States. And I just—if you look at where the world is going, where Europe is going, where Asia is going, there's no question that both Canada and the United States need more trading partners in our own backyard, and we need for them to be richer, to grow, to do more, so they can buy more from us. And I feel very strongly that it's the right thing to do, and I'm going to keep plugging away and hope we can pass it. I think we can.

*Haiti*

Q. On Haiti, Mr. President. Is it time to show some muscle on Haiti if diplomacy doesn't work?

*The President.* Well, we thought we had an agreement on Haiti and, of course, it didn't work out, and I'm very disappointed. We worked very, very hard. And I talked to the Prime Minister about this on several occasions. It is time to reexamine our options and consider some others, and I expect the United States will do that.

June 2 / Administration of William J. Clinton, 1993

*Prime Minister Mulroney*

Q. Mr. Clinton, any parting words for Mr. Mulroney now that he's going to be leaving office?

*The President.* I wish him well. He served well and for a long time, and I wish him well.

And he's given me a lot of very good advice. He's been very helpful.

NOTE: The exchange began at 8:49 a.m. in the Oval Office at the White House.

## Remarks and an Exchange With Reporters During a Luncheon With Business Leaders

June 2, 1993

*Interest Rates*

*The President.* Let me just make one remark. You know, once a week if at all possible I attempt to have lunch here in the White House with business leaders from around America and solicit their views and their opinions, their suggestions. These lunches have been enormously valuable to me and, I think, are helping us develop the kind of partnership with the private sector we need.

I'd just like to mention two things that I think support the economic position that I have taken and the work we're doing in the Senate. First of all, there were news stories today and yesterday pointing out that long-term interest rates are down again, the stock market is strong again in anticipation of the passage of a real deficit reduction package after the vote in the House. And that means we're taking the right course. And I'm looking forward to working with the Senate when they get back next week.

Secondly, just today we've learned that we had the largest monthly increase in new housing sales in 7 years, which is clearly the result of lower interest rates and proves the point that we've been trying to make that if we can get the deficit down, get the interest rates down, that will be the biggest job stimulus to the economy. It will put another \$100 billion back in this economy.

So there are lots of things that we have to discuss and lots of things that perhaps we can all change for the better. But at least the general direction, I think, is clearly right. And I thank

these kind business leaders for coming here today, and I look forward to continuing to do this every week as long as I'm President. I think it will be very helpful to the country.

Thank you very much.

*Lani Guinier*

Q. [*Inaudible*—nomination, Mr. President?

*The President.* Well, let me say this, I think that I have to talk to some of the Senators about it because of the reservations that have been raised both publicly and privately. I want to reaffirm two positive things about her. One is everyone concedes she is a first rate civil rights lawyer, and no real civil rights lawyer has ever held that position before, someone who made a career of it.

Secondly, I think any reasonable reading of her writings would lead someone to conclude that a lot of the attacks cannot be supported by a fair reading of the writings. And that's not to say that I agree with everything in the writings. I don't. But I think that a lot of what has been said is not accurate. On the other hand, I have to take into account where the Senate is, and I will be doing that and talking to them. And I think until I do that, I should have nothing else to say.

NOTE: The President spoke at 12:29 p.m. in the Old Family Dining Room at the White House. A tape was not available for verification of the content of these remarks.