

Oct. 11 / Administration of William J. Clinton, 1995

In the months since the crisis, Mexico has demonstrated more strongly than ever that it is not only our neighbor, it is a very good neighbor. The Mexican people, led by President Zedillo, have courageously stayed on the road to reform.

Mr. President, the tough steps you took required courage and the ability to convince the Mexican people of the need for short-term pain in return for long-term gain. But now your resolve is paying off. Mexico has turned the corner toward recovery. And all of your partners in our region applaud your leadership and your success and the basic character and vision of the people of Mexico who have supported your direction.

During his visit to Washington, President Zedillo and I discussed how we can move our partnership forward, not only to benefit our two nations but the entire hemisphere. By spreading the success of NAFTA, leading the fight against crime and corruption and drugs, clearing our air and cleaning our water, modernizing our educational systems for the 21st century, we hope to inspire the efforts of our neighbors throughout the Americas.

All of us in the Americas have an extraordinary opportunity, if we work together. We can build a future where our borders serve as bridges; where open societies and open markets flourish; where ordinary citizens, their families, and their communities see the benefits of a free-market economy without being swept away by its excesses; where our horizons know no limits and we prove the promise of our common commitment to democracy and human dignity.

If we achieve that vision, it will be thanks in no small measure to the steady hand and the clear-sightedness of my friend and partner who is here, the distinguished President of Mexico, President Zedillo.

Thank you, Mr. President. Thank you, ladies and gentlemen.

NOTE: The President spoke at 12:13 p.m. in the Hall of the Americas at the Organization of American States. In his remarks, he referred to Cesar Gaviria, Secretary General, Organization of American States, and Enrique V. Iglesias, President, Inter-American Development Bank.

## Message to the Congress Transmitting a Report on Hazardous Materials Transportation

October 11, 1995

*To the Congress of the United States:*

In accordance with Public Law 103-272, as amended (49 U.S.C. 5121(e)), I transmit herewith the Biennial Report on Hazardous Mate-

rials Transportation for Calendar Years 1992-1993 of the Department of Transportation.

WILLIAM J. CLINTON

The White House,  
October 11, 1995.

## Teleconference Remarks With Rural Hospital Administrators and an Exchange With Reporters

October 12, 1995

*The President.* First of all, let me thank you very much for participating in this conference call to discuss the importance of continuing to invest in health care in rural America.

As you all know, we are involved here in a serious attempt to balance the budget. I want to balance the budget. I have offered the Congress a proposal to do it. I think it will help to lift the burden of debt off our children, it

will help to strengthen our economy if we do it in a way that is consistent with our values and our interests.

And one of the most important values we have is the obligation we have to strengthen our families and preserve the health care of our children and our parents. And the balanced budget I presented to the Congress does call for slowing the rate of growth in the Medicare and Medicaid programs, and it does secure the Medicare Trust Fund. But it strengthens rather than guts our Medicare program, and it recognizes that Medicaid is the principal source of funding not only for health care for poor children but for a lot of our seniors and for an enormous number of our hospitals in rural areas and in urban areas.

And I believe that the Medicare/Medicaid budget that the Republicans in Congress are pushing violates both our basic values and our interests and it is not necessary, not necessary, to balance the budget. The level of Medicare cuts are more than twice what I propose. The level of Medicaid cuts are 3 times what I propose. And I believe it will force American families to choose between educating their children and making sure their families have the health care that they need.

And as all of you know—and I want to hear from you in a moment—these cuts will be especially devastating to rural communities and to rural families because Medicare and Medicaid are the backbone of the health care system in so many rural areas. Hospitals in rural areas already are struggling to make ends meet and are closing at far more rapid rates than hospitals in urban areas and tend to depend a lot more on Medicare and Medicaid than urban hospitals do.

Therefore, if this budget passes that the Congress has proposed, it can mean, I think, devastating consequences for rural health care. And of course, we want to hear what it will mean for your local hospitals. And if more of them close, they won't be there for families in emergencies or for families with a child that needs to be immunized or for people who need longer term care.

And let me say, having been a Governor for 12 years in a rural State and having presided over a lot of hospital closings in the 1980's and having spent hours and hours and hours inside rural hospitals in all different kinds of communities, I think I have a good feel for this. But

I wanted to hear from you because I want America to know what the real consequences are.

This budget debate should not be a matter of abstract ideologies. We know we have to slow the rate of medical inflation. We know we have to deal with entitlements. We know we have to balance the budget. But we have to do it in a way that is prudent, humane, and decent and that is consistent with our values. So that's my objective, that's what I'm fighting for, and I need your help.

Now, before I close, I'd like to say one more word about the Republican Medicare plan because it affects hospitals directly. Two days ago, we saw further evidence that the Congress is prepared to walk away from the impact of this plan on people. In the dark of night, the Republican leadership cut a deal with the AMA that put—once again—put their interests ahead of the interests of the patients.

It may help the Republicans to pass their plan, but the rest of America needs to know who's going to pay for the payoff to the AMA to get them to support it. Older Americans who rely on Medicare are going to pay for it. Rural hospitals are going to pay for it. They took \$3 billion more in cuts and they shifted them to patients, which means they shifted them also to rural hospitals. They give less protection for laboratory results in doctor's offices. And worst of all, it's another hidden tax on elderly people who rely on Medicare.

Under their plan, seniors can be forced into managed care networks which then can impose new fees on top of new premium increases. Under the Medicare program we have today, as all of you know, doctors can charge the Medicare-approved fee and no more. The new Republican plan would give doctors the power to charge any amount of additional out-of-pocket costs they want to older Americans every time they go to the doctor, whether or not they can afford the plan. And if you look at that and you add to that the fact that they cut out the Medicaid payments to low-income elderly people to help them pay their copays under the Medicare program, one group has estimated that as many as a million seniors may actually drop out of the Medicare system. And of course, that's going to make it even more difficult for rural hospitals.

So I'm very disappointed that the AMA supported this plan. It may look better to doctors

in the short run, but it's going to be a lot tougher on their patients and a lot tougher on the hospitals in which they practice, especially the rural hospitals. They will be dealing with this.

And I'd like to ask Secretary Shalala to say a few words and talk about this from her perspective. And then I'd just like to hear from all of you, and we'll have a little conversation about it.

[At this point, Secretary of Health and Human Services Donna Shalala stated that the Republican health care proposals would have a negative impact on rural health care affordability, security, and quality.]

*The President.* The only other point I'd like to make, and then I'll call on you, is that when I served as Governor of my State, I worked from the late seventies through the early nineties to try to provide all kinds of incentives for doctors to go out and practice in rural areas, to try to keep the quality of health care up in rural areas. And a lot of States have done that. And I know a lot of rural hospitals have done things like have really sophisticated interconnections with urban hospitals and with teaching hospitals. And a big portion of these efforts are going to be undermined by this budget.

And again I will say, this should not be a matter of ideology. We should just practically look at the consequences. We do not have to slow this train down so fast we cause the train to run off the tracks. The health care system of America is too important.

But I'd like to hear from you now to talk about what you think you will be personally experiencing. Let's start with Don Sipes, who's the CEO of St. Luke's Northland Hospital, a hospital with 92 beds and 150 employees in Smithville, Missouri, which is a community of 2,500.

Mr. Sipes.

[Mr. Sipes described the potentially devastating impact of the proposed Medicare cuts on rural Missouri hospitals as health care providers and employers, noting that many of them were already struggling financially.]

*The President.* I'd like to just emphasize two things here that kind of came out of your remarks. Number one, the 1980's were tough on rural hospitals. Rural hospitals—about 17 percent of our rural hospitals closed in the decade

of the eighties, and only about 2 percent of our nonrural hospitals did. And we knew that some of that consolidation had to occur. But the important thing for the people of the United States to understand is that rural hospitals have undergone significant changes in management and the way they allocate their resources, and they have achieved enormous efficiencies, and their ability to do more is constrained by the remarkable progress that was made in the eighties and the enormous changes that were made.

The second point I'd like to make is that no one has an answer to what happens to these folks if you close. I mean, who's going to be—how are these people going to be taken care of?

What is the percentage of your Medicare—what percentage of your revenue comes from Medicare and Medicaid?

*Mr. Sipes.* At the Smithville campus, 71 percent.

*Secretary Shalala.* And you're going to lose at least \$1 million under the Senate plan, I think. I think that's our calculation.

*The President.* A year.

[Secretary Shalala noted that other businesses in the community would be adversely affected by the closing of a major rural health care employer.]

*The President.* That's right. The other point I want to make is that in this debate you will frequently hear the congressional leaders say, "Look, we're not giving anybody less money; we're giving everybody more money." And that is true. But the real issue is, is the more money sufficient to deal with more patients and the cost of inflation?

The real answer here is to bring medical costs per patient, per treatment closer to the general rate of inflation. And we're working on that. This year, premium costs for insurance were at or below the rate of inflation for the first time in a decade. But these numbers, the budget numbers, will not permit many of our health care providers to deal with increased case loads plus inflation.

So even though it may look like more money 7 years from now than we're spending today, the real question is, in real dollar terms will it be more? And the answer is, for many, many of you, no. And I think that's really important because just to say we're giving more money

obscures the question of whether you'll really be able to deal with your patient loads, with the cost of health care, and with inflation.

I'd like to call on Mr. Cannington now. H.D. Cannington is the administrator of the Jay Hospital, which has 55 beds and 110 employees in Jay, Florida.

Mr. Cannington.

[Mr. Cannington explained that the cuts would probably force his hospital to close, disrupting the entire health care system in that rural area.]

*The President.* That's another thing I'd like to emphasize that's special about rural America. You just described the kind of services you provide. A lot of people say, "Well, if we cut the budget this much and these hospitals close, it's no big deal; we'll just convert them into clinics, to primary care clinics. Then if they need a serious hospital, they can go to the nearest city somewhere." The problem is that a lot of these rural hospitals, most of the ones I know in my State, do just exactly what you said. They're running—they are the public health outreach. They are the home health outreach. They are doing these things that those who say, "If we close the hospital, they'd be replaced by other people." There's just no reason to believe that.

And we all know, anybody that's ever worked or lived in a rural area knows that one of the biggest problems in getting doctors to go to rural areas and stay there is having access to a decent hospital. And they just won't stay if all they have is their own clinics. We just see it over and over and over again in America.

So I really appreciate your saying that very important point.

[Mr. Cannington stated the importance of a hospital's proximity to its patients' homes.]

*The President.* What percentage of your revenues come from Medicare and Medicaid?

*Mr. Cannington.* About 69 percent of our revenue and about 71 percent of our patients are Medicare and Medicaid.

*The President.* Thanks.

Mr. Kelly, John Kelly, is the administrator of the Soldier and Sailors Memorial Hospital, which has 217 beds and 500 people on the staff in Penn Yan, New York, which has a population of 5,500.

Mr. Kelly.

*Mr. Kelly.* Yes, Mr. President. Some of our people up here wanted to wish you a happy anniversary, sir.

*The President.* Thank you. I had a wonderful day. It was a great day.

[Mr. Kelly described the services provided by his hospital as a result of changes in the previous decade and expressed concern about the systematic failure to address rural health care issues.]

*The President.* First of all, let me emphasize something you said that Mr. Cannington also said, that typical rural hospitals, an awful lot of them now, are far more than traditional hospitals. They are long-term care centers; they offer psychiatric care; they perform home health functions; they perform public health clinic functions.

When I started working on all these problems over a decade ago, our big struggle was to try to convince all these hospitals in rural areas in our home State, if they wanted to survive they had to diversify, they had to use their beds in the most efficient way, they had to provide all these services; that rural areas couldn't afford to have separate institutions for all these different things.

That has now been done. We now have in so many rural communities in our country what we call hospitals, but they're basically comprehensive care centers. And they are now in a position to do what needs to be done. What we believe is that we have to lower the rate of medical inflation and that now you have the infrastructure and the organization to do that. But if you cut too much too fast, we're going to wind up wrecking the system that we built through a lot painstaking effort and often trial and error throughout the 1980's.

I don't think most Americans—they wouldn't have any way to know—but I don't think they understand the dramatic, breathtaking changes that rural hospitals went through in the 1980's and how many rural hospitals are now the kind of flexible, entrepreneurial, comprehensive health care systems that we all could only imagine just a decade ago. So I really appreciate what you said, because we need to—the American people need to know that we're not dealing with some big, fat, bloated, outdated bureaucracy that's been living off the fat of the land for the last 20 years. That's not what happened

in rural America. But you are going to get a disproportionate hit out of this.

I'd like to talk to Margo Arnold now—or hear from her. She is the CEO of the West Side District Hospital in Taft, California, which has a population of 5,900 and has 84 beds and 160 employees.

Ms. Arnold.

[Ms. Arnold stated that her hospital and others would face cuts at both Federal and State levels and expressed concern that the onslaught would continue.]

*The President.* What percentage of your revenues come from Medicare and Medicaid?

[Ms. Arnold stated that approximately 69 percent of revenues came from Medicare and Medicaid and reiterated her concern for the future of the facility and its clients.]

*The President.* Thank you very much.

Peter Hofstetter is the CEO at Northwestern Medical Center, with 70 beds and 400 employees, in Saint Alban's, Vermont. Peter, would you like to comment?

[Mr. Hofstetter expressed concern about the impact of the cuts on his hospital's efforts to maintain a high-quality staff and institute community health programs. Secretary Shalala then questioned Republican proposals that rural hospitals shift costs to their clients.]

*The President.* Yes. I think of all the people we're talking to, Mr. Hofstetter's Medicare-Medicaid reliance is the smallest. And yours is what? What percentage of revenue—

*Mr. Hofstetter.* Sixty percent.

*The President.* And that's the smallest of anybody we're talking to, 60 percent.

It's important to emphasize that rural populations tend to be older and that their average incomes tend to be lower. It's also important to emphasize that what is rural in Washington, DC, may not be rural in Vermont. I mean, it's extraordinary to have 48 doctors in a town of 7,300. But the reason is there's so many other many, many smaller towns in Vermont that you're probably serving near there. And of course, we don't have anybody on this telephone call today who's from one of the High Plains States or Intermountain States, a place like South Dakota or North Dakota or rural Colorado or some of those places where you're not talking about 30 miles, you're talking about 100

miles or 150 miles or 200 miles to the nearest town of any size. We're talking about breathtaking distances in some of our rural States which are very sparsely populated.

So I think it's an astonishing thing that you were able to go from 17 to 48 doctors and to solve those—to do what you're doing in the 1980's. I wish I had known you 10 years ago when I had a different job. That's an amazing achievement.

*Secretary Shalala.* How critical are you to the economy of the area that you're in, with that large of a facility?

*Mr. Hofstetter.* Saint Alban's?

*Secretary Shalala.* Yes.

*Mr. Hofstetter.* Oh, we're about the second- or third-largest employer in the county. We've got a couple of large manufacturers and some other industries. But we're consistently in the top two, three, four. And we put about, oh, \$8 million and change, with payroll and stuff, back into the economy.

*The President.* How many of those doctors are on the hospital payroll?

*Mr. Hofstetter.* Well, just one primary care doctor and then pathologists, that kind of thing. But most of the physicians that came here in the eighties and early nineties, it was a quality of life thing, and they set up a traditional solo practice situation. And I have to tell you, honestly, they're all—not all of them but a number of them are starting to question that whole aspect of life as well, being sort of the lone cowboy out there practicing medicine.

*The President.* And of course, a lot of them, in addition to their hospital practice, a lot of their patients who don't come into the hospital are probably Medicaid and Medicare patients as well.

*Mr. Hofstetter.* Oh, sure. We still have a lot of docs that do home visits. It's textbook primary care.

*Secretary Shalala.* Not much quality of life if you don't have good health care, though.

*Mr. Hofstetter.* No.

*The President.* Let's go on to Todd Linden, who is the president and CEO of the Grinnell Regional Medical Center in Grinnell, Iowa. He has 81 beds and 350 employees in a community with a population of 8,900.

Mr. Linden, would you like to talk?

*Mr. Linden.* Good morning, Mr. President.

*The President.* Good morning.

[Mr. Linden described his facility's task of dealing with one of the Nation's highest Medicare populations coupled with one of the lowest reimbursement rates, noting that the problem would increase as the baby boom generation became more of a senior boom.]

*The President.* I wish you hadn't said that. [Laughter]

[Mr. Linden then expressed his concern that Medicare reforms be achieved in the most responsible manner possible, avoiding regional inequities.]

*The President.* I want to thank you for what you said. Let me—you made a point that I want to reemphasize that everybody who talked today did. No one questions the fact that we have to slow the rate of medical inflation. That is not an issue here. The issue is—and no one knows, frankly, how much more progress we might make with telemedicine, with HMO's. And all of us recognize that you need to have more options, like for providers to directly sponsor managed care plans. And I certainly agree with you, we need to constantly review the equity of the reimbursement system.

There is—however, one thing has been—there has been a consensus on one thing in this entire debate, which is that the number selected by the majority in Congress for their medical cuts in Medicare and Medicaid had nothing to do with a study of what the system would bear and what it could accommodate over the next 7 years. It was a number picked out of the air arbitrarily to fit a certain set of economic assumptions which are questionable, a 7-year balanced budget and a tax cut of \$250 billion. So they said, "Well, that leads us to these cuts, and so we're going to make them, even though we have no idea what the impact on the system will be."

The people I talk to all across America—I was with senior citizens in Florida the other day—everybody in America is willing to make an effort to do what it takes to bring medical inflation down. Everybody knows that we can't continue to have medical inflation go up at 3 times the rate of inflation. But enormous efforts have been made by health care providers, especially in rural areas, in the last several years. And there is a consensus among providers with whom I talk that no one knows how and no one believes that this volume of cuts can be

just taken out of the system in the next 7 years without severe adverse impact.

And so I think it's important again to say this is not about ideology and this is certainly not about irresponsibility. The health care providers, the seniors in this country, everybody is trying to respond to this situation in a responsible way, but nobody, nobody, believes that this arbitrary very high number can be reached, based on all the evidence and experience we have today. That is the important thing.

We have to do this in a way that is consistent with what we believe the facts and evidence are. We have to be honest and we have to be concerned about our primary mission, which is to provide decent health care. We don't want to make it worse.

There's one other point I want to make about Iowa that relates to a lot of other States. I have been a big proponent of managed care as an option for seniors. And I'm glad that the Congress—the congressional majority now supports that. But I think we have to go into this with our eyes wide open. If we sell this as an end-all and be-all, what's going to happen is a lot of these networks, if there's not some real discipline here in how we do it, will cream the healthiest seniors. And the oldest seniors that have the highest health care costs will be left not in managed care networks and will be back either dependent on the Government—which either means they won't get health care, or we'll wind up spending a lot more than we think we will on the system because of that. And because Iowa has the highest percentage of Americans over 80, I think that's worth focusing on.

It depends on who sets up these networks and how they serve them, whether everybody really gets served. This thing could get out of hand, and a lot of older people could get—and less healthy seniors could get left in the dust by this managed care movement if we don't do it in a decent and humane way.

[Mr. Linden concurred on the complexity of the issue and stressed the primary importance of preserving health over curing disease. Secretary Shalala then noted that the Trust Fund would be adequately secured by \$90 billion in cuts rather than the \$270 billion Republican proposal.]

*The President.* Let me say to all of you how much I appreciate the time you've given this,

and even more, how much I appreciate the work you've done with your lives. As I said, because of the job I had before I became President, because I lived in a rural State, I know how hard it's been for you in the last 10 years, and I know what dramatic advances have been made in the face of these difficulties and challenges.

And we can do more, we can do better, and we will. But it is important that when we have this budget finalized that we don't have an arbitrary number, that we make an honest effort to discipline this system in a way that will save the Medicare Trust Fund, slow the rate of medical inflation, but do it in a way that will enable us to enhance the quality of medical care and the quality of life for seniors, for children, and for poor people, particularly those that are in more isolated areas and the rural areas.

I'm going to do my best to take care of those concerns here and to defend them. And we will do our very, very best to achieve in the end a balanced budget that is decent and fair and based on our values when it comes to health care, and that's based on the evidence that you've given us. And I can't thank you enough.

But if I could just say one thing in closing, I would implore you to personally contact the Members of the Congress in your area without regard to their party and say that you have done your part in the eighties, you are willing to do your part in the nineties, you understand why we want to balance the budget, but we have to do it in a prudent, disciplined way that does not wreck the health care system. We have worked so hard to reconstruct a comprehensive health care network in rural America, and there's still great difficulties in maintaining it. And to take it out now would be a tragedy. And it would be wrong, and it is not necessary to balance the budget.

So I thank you from the bottom of my heart. And I just want to urge you to share your experiences and your knowledge with the Members of Congress, because many of them are having to vote on these issues without the experience base that you have—or that I have, frankly, or that any of us who have actually been through this and lived through it. So I would just close with that.

There are a lot of good people up here trying to do the right thing, and we've got to just stick to our values, stick to the evidence, and do what is doable.

And so—but, please, please, continue to reach out to the Congress in these next few weeks so that we can make the right kind of decisions for our country.

*Mr. Kelly.* Mr. President?

*The President.* Yes.

*Mr. Kelly.* This is John Kelly up in Penn Yan. Could you just tell us what do you think the next step would be from your perspective in this process?

*The President.* Well, I keep trying to engage the Congress in this. They're going to have to decide when and how they want to work with us to try to come to some agreement. But meanwhile, I think the next step is, that will either happen or they'll pass a budget that I find unacceptable and I will manifest that with a veto and then we'll talk about it then.

And I don't know how this is going to unfold. But I do know this, that the more information, the more information you can get for the Members of Congress, based on what is real and what is going on in their districts and what their constituents are living with, the better chance we have to do the right thing on this budget.

It is not clear to me yet exactly how the congressional leaders will determine they're going to proceed. But however it's going to proceed, in the end, I'm going to do my part in this process. And my responsibility is to basically advance the values and the interests of the American people and stand up for the people who I believe have been left behind in the process. That is what I'm going to do; that's my responsibility.

But the mechanics of it are not yet clear because we're in somewhat of an unprecedented situation now. We're already past the time when the budgets are normally done. So I can't tell you that. But I can tell you this: It is never too late for you to contact them and explain your experiences and say, "Look, this is just not doable; these numbers are arbitrary and they're not achievable. We're willing to help, we're willing to contribute, but we can't do that." And I urge you to do it.

Thank you very much.

*Q.* Thank you, Mr. President.

*The President.* Goodbye.

[At this point, the teleconference ended, and the President took questions from reporters.]

*Federal Budget*

Q. Mr. President, a short time ago, Speaker Gingrich said of you—and I quote—“If he plans to run for reelection, I think it’s a very big step for him to say, ‘I’m going to veto the balanced budget, tax cuts, welfare reform, and save Medicare.’ I’m not at all certain by the time we’re done in early November that he is not going to sign these things.” Could you react to that?

*The President.* Well, those words sound good, but what stands behind them? What kind of balanced budget plan? What kind of tax cuts?

My job is to protect the families of this country, the children of this country, and the future of this country, the elderly. The President’s job is to stand up for the fundamental values of the country. Those are nothing more than slogans. There are ways—if what the Speaker wants to achieve is a balanced budget with a tax cut that secures the Medicare Trust Fund, well, I’m for that. I’m for that. And I will work with him to help him to achieve that. But underneath that very appealing slogan there are \$148 billion in taxes and fee increases on the elderly and on working people with very low incomes.

This budget would take people out of the middle class and put them back into poverty. This budget would jerk up the ladder that poor people are now using to work their own way into the middle class. This budget would say, “We’re going to cut taxes on the President if he has capital gains income, but we’re going to raise taxes on working people with children living on 15,000 bucks a year.” This budget would say, “If you’re a senior citizen now on Medicare and you’re living on 300 bucks a month, we’re no longer going to make your copay from the Medicaid program, we’re going to raise your cost of living, even if you’re living on \$300 or \$400 a month.” This budget would say, “If you’re going to college, we’re going to charge you more for your college loan and make it more expensive and make it more difficult for you to get. And we’re going to give more money that we used to allocate to students and their loans to middlemen like banks and others in the middle of the process.” I don’t believe that’s consistent with American values. I just—and it is not necessary.

And so, these goals sound very good, but how you achieve them is very important. And they

have, apparently, very little confidence—much less confidence than I have—that a balanced budget would lead to a growth in the economy. I mean, they say they want to grow the economy, but they have given us a budget that says, “If you adopt our budget just like we’ve given it to you, we’re going to have a big tax cut including—that goes to some people that don’t want it and don’t need it, and we’re going to have huge cuts in Medicare and Medicaid, and we’re going to balance the budget, and it’s going to give America the slowest economic growth it’s had in 25 years.” That’s the message of their budget.

You know, I’d be proud of it if I were them. Now, what I did to show fiscal prudence was to give them a budget which says that I am assuming only that we will grow as fast as we have for the last 25 years, when we’ve had some very, very bad years. I believe we’re going to grow faster than that, but I wanted to be prudent. But they say, “No, adopt our budget. Do all these really tough things to the middle class, to the elderly, to the children, and we will slow the economy down. That’s your reward, America, for adopting our budget.” I think that’s a very curious message.

So, you know, I don’t want to get into a shouting match on this, but would I sign a budget like this because they would maybe hide some of the severe consequences in the election year just to get reelected? The answer is, no. I won’t do that. Because whether I get reelected or not, I hope to live to be an old man, I hope to live to see my grandchildren grow up in the America of the 21st century, and I want it to be a country with opportunity for everybody, with strong families and strong communities leading the world, that’s a place where the things that we all believe in are alive and well. And I would gladly, gladly terminate my tenure here if the price of continuing it was just shelving everything I believe in about this country.

So we need to take this debate out of the politics of it and take it out of the ideology, and let’s talk about the facts. You heard these people. They’re running these rural hospitals. They’ve all slowed their cost of inflation down. They’re all willing to do more. None of them believe they can make the numbers in the congressional budget. Let’s get out of politics and ideology and personal gain and all this rhetoric, and let’s talk about what the impact is going

to be as a factual matter on the American people and how we can sign a credible budget that will grow the economy. Grow the economy, create jobs, raise incomes. We're going to be able to balance the budget quite easily, and we don't have to do all this.

Q. What do you think about the AMA, Mr. President? What do you think about the AMA?

Q. Mr. President, how do you suggest that the White House works with Republicans and vice versa? The two sides aren't even talking at this point.

*The President.* I have a conversation with the Speaker every week about a lot of things. And we try to find ways that we can work together. But they have tensions within their own caucus, as you know. They have ideological tensions in the House and they have in the Senate—they have ideological tensions and political tensions that I can't reach or influence at this moment, because they're sort of encased in the way the Republican Party is today.

A genuine discussion and negotiation about what we can do involving the leaders of the Republican Party—there are a lot of Democrats who want to vote for a balanced budget, a ton of them. You know, it's been largely ignored here, but the Democrats in the Congress took the lead in reducing the deficit. They took it without any support from the Republican Party. They took the deficit from \$290 billion down to \$160 billion. So there are a whole bunch of Democrats that are literally yearning to vote for a bipartisan budget that reflects the best of the budget I put forward and the best of the budget they put forward and is better than both of them. We're not talking about a compromise that just splits the difference, we're talking about something that is better for America.

So we can have these conversations before, during, and after they cast whatever votes they're going to take, but we have to get beyond this sort of line-in-the-sand rhetoric where—my door's been open since I gave my budget. That's why I gave them a balanced budget.

Q. Will it take a budget summit, Mr. President?

Q. Why don't you invite them over for a budget summit here? You're getting the Bosnians—

Q. Will it take a budget summit?

*The President.* I don't know. I don't know.

Q. —for peace talks. Why don't you have peace talks with the Republicans?

*The President.* Well, you know, like I said, I try to talk to as many of them as I can, all the time. I think, to be fair to them in terms of the timetable, to be fair to them, they have to—they're in a better position than we were 2 years ago, because 2 years ago, the week I got here, I was informed by the Republican leaders that there would be no votes for my budget. Whatever I did, there would be no votes. And so what we had to do was to work through our budget and figure out how to cut the deficit by \$500 billion with Democrats only, which made it—which meant, compared to what I wished, there was a little more tax on upper income people and a little less cuts than I wanted. But we passed it. And it had a terrific impact. It drove down interest rates. It drove up the economy. It got us where we are today, with 7½ million jobs and 2½ million new homeowners and 2 million new small businesses.

What they have to do—the timing on this will be, I think, determined as much by—will have to be determined by where they are within their own caucus. But they know something that we didn't know 2 years ago. They know that we want to balance the budget, too—not just the President but a large number of Democrats in Congress in both Houses are willing to work with them. But they can't say working with us is, "We're going to pass what we want, we're going to put it on your desk, and you will sign it or veto it." That's not my idea of working together.

If their real objectives are a balanced budget, tax cuts that are reasonable, extending the life of the Medicare Trust Fund, we can achieve those objectives. But we cannot do it if the objective—or the real objective is to raise taxes on the lowest income working families of the country, to raise the cost of living to the poorest elderly people of America, do significant damage to the health care system, and to undermine the education investments of America and the environmental responsibilities of America, just because there's an ideological desire to wreck the Federal Government. And they have to work through that.

But at some point, we'll all get together and work this out. I believe in the system and I wouldn't—and I don't think you all should overreact to this. I believe we're going to work this

out. But meanwhile, I'm going to do my best to take care of the American people.

Q. Thank you, Mr. President.

*President's Wedding Anniversary*

Q. What did you get for your anniversary? [Laughter]

The President. I got a number of things, but one of the most interesting things I got was

from my wife. It was two old pictures of us together 20 years ago blown up.

Q. Show us. [Laughter]

The President. My daughter had unfavorable comments on men's styles in the 1970's. [Laughter]

NOTE: The President spoke at 11:45 a.m. from the Roosevelt Room at the White House.

## Remarks at a Swearing-In Ceremony for AmeriCorps Volunteers October 12, 1995

If she hasn't made the case, there's nothing for me to say. [Laughter]

Thank you, Michelle Johnson Harvey, for that remarkable statement. And thank you and all of your colleagues here for your dedication to your country, to your community and your participation in AmeriCorps. Thank you, Don Doran, for the work that you have permitted AmeriCorps to do with you and your school in Atlanta.

And I thank Senator Harris Wofford for his willingness to take up this service at this important time in the history of our country and the history of AmeriCorps. We just swore him in—the Vice President swore him in over in the Oval Office with Mrs. Wofford and his entire family and his extended family of friends. And he pointed out that at least I had told him what I expected him to do. He said that once before he was sworn in in the Oval Office, and President Kennedy swore him in and then told him what his job was going to be. [Laughter] So I feel that after 30 years we're at least making some progress in the Government's obligation to fully disclose to its—[laughter]—public servants what they are expected to do.

I want to thank Jim Joseph, the Chairman of the Board, who is about to become our distinguished Ambassador to South Africa, and all the other supporters of the AmeriCorps program and the other volunteer efforts that are here.

And I want to say, of course, a special word of thanks to my friend of 25 years, Eli Segal, for the remarkable job he did in creating AmeriCorps and getting it off to a good start. Thank you for a brilliant job.

I want to thank the supporters of AmeriCorps in the Congress, including those who are here,

Senator Jeffords from Vermont, Congressman Sawyer from Ohio, Congresswoman Karen McCarthy from Kansas City. She got one of her constituents up here, and I saw her bursting with pride. Congressman Green from Texas and Congressman Tim Roemer from Indiana. We're glad to see all of you. And we thank you for your support.

A year ago, in one of my proudest moments as President, I challenged 20,000 citizens to join us in a new American adventure, rooted in our most fundamental values of personal responsibility, educational opportunities, service to others, and commitment to community. I asked those 20,000 Americans to put their values into action through AmeriCorps, because service is a spark to rekindle the spirit of democracy in an age of uncertainty. Well, the times may be uncertain because they're changing so rapidly, but I am certain that the flame of democracy is burning brighter all across America today because of people like Michelle Johnson Harvey and her friends who helped to close those crack houses and give those children safe streets to walk, and because of the thousands and thousands of other AmeriCorps volunteers and the many thousands more whom they recruited to work to build houses, to immunize children, to educate, to help to solve all the community problems that are being faced at the grassroots level.

You know, it is true that this idea was consciously born as a nonbureaucratic, grassroots, community-based, totally nonpartisan idea. I became enamored of the idea of community service because I saw what it could do as a Gov-