

this opportunity slip away by doing the wrong thing or failing to act at all.

**William J. Clinton**

The White House,  
January 9, 1996.

### **Remarks Prior to a Cabinet Meeting and an Exchange With Reporters**

*January 10, 1996*

**The President.** Hello, everybody. Is everyone in here? Well, first, let me say that we're having this Cabinet meeting to discuss the present status of our budget negotiations and where we are. As I have said all along, I am for balancing the budget in 7 years, but I want to protect the fundamental priorities of the American people and the future of the American people. We can balance a budget in 7 years, according to the Congressional Budget Office, without having dangerously low levels of commitment to Medicare and Medicaid, without having big cuts that undermine our commitments in education and the environment, without raising taxes on working families.

Now, that's what the Congress said they wanted. I've got this letter here from Congress, a letter from Congress to the Speaker saying that the budget we submitted in fact balances the budget in 7 years. The differences between these two budgets are now clear. We do not want to fundamentally change the commitment of the Medicare program to the health care of seniors. We do not want to fundamentally change the commitment of the Medicaid program to senior citizens, to poor children, to the disabled. We do not want to adopt a level of investment that makes it certain that we will have to turn our backs on the needs of education or the environment.

That is what this is all about. We can even have a modest tax cut for the American people, and for families especially, and balance the budget in 7 years according to the Congressional Budget Office. That's what this letter says. They agree now, so the only differences left between us are ideological differences.

And I said in the beginning, let me say again: If the objective is to get a 7-year bal-

anced budget that Congress says is balanced, we can do that. If the objective is to get a modest tax cut, we can do that. If the objective is to dismantle the fundamental American commitments through Medicare and Medicaid or to undermine our obligations in education and the environment, I will not do that.

That is basically where it is.

### **Budget Negotiations**

**Q.** Mr. President, it seems like that what's being said here today and also with what's being said on Capitol Hill, that despite all of the good will that was apparent here yesterday, this really was a breakdown in the talks. You're very far away, and it sounds like you're not getting any closer together in this break.

**The President.** We're not—we're only very far away if you turn this into—if you insist on a tax cut which requires unacceptable levels of cuts in education and the environment and Medicare and Medicaid or you insist on fundamentally changing those programs in ways that will erode the protections that Medicare and Medicaid now give to seniors and to poor children and to disabled people or you insist on cuts in education that will cut back on scholarships or Head Start or you insist on cuts which will really weaken our ability to protect the environment. If that's the deal, it's reconciling not only the level of cuts—it's not just the money here, I want to emphasize that. It's the policy.

The Republicans—if I might, let me just take Medicare for an example, just for example. The Republicans and I agree that there should be changes in the Medicare program to encourage more seniors to have more options to join managed care programs. And we agree on a number of other provisions that should be changed that will strengthen Medicare and give more options to our senior citizens.

I do not agree with changes that I think will, in effect, break up Medicare and put more and more seniors at the mercy of the present private insurance system so that the older and lower income and sicker you are, the more at risk you are. I don't want to do that.

So if we can work that out, we'll have an agreement. It's the same thing——

*Q.* Can you explain why——

*Q.* It seems like what you're talking about here really is a fundamental policy difference that is not going to be bridged and, for example, can you possibly accept the idea that Medicaid would no longer be an entitlement?

**The President.** No. No. But let me say this: More than my predecessors, my Republican predecessors, I have been for and I continue to be for giving the States far more flexibility in the way they run the programs. But I don't believe we should send a check, a Federal check to the States and say if you decide that you no longer want to provide health care to some poor children or some disabled people or some seniors who are getting it now, that's okay with us. I don't believe that.

There is a national interest—a national interest—in protecting the health care of our children, our seniors, our disabled population. And I believe the American people believe that.

In terms of letting the States have more flexibility to make the money go further, to do different things with it, to expand coverage in different ways, we have been on the forefront of that. That's what the Vice President's reinventing Government effort is about, that's what Secretary Shalala has done in giving all these waivers to States. We are willing to go much further there.

But let me ask—I thought that we were supposed to be balancing the budget. We have agreed already, both sides have agreed to far more savings than are necessary to balance the budget in 7 years according to the Congressional Budget Office. That's what this little letter says here. That's what their letter says. Both sides have agreed.

If this is about balancing the budget, we could do it in 15 minutes tomorrow afternoon. The American people need to understand that. Congress now agrees. I have done this. I have given them a plan. It just simply does not have the dramatic changes in Medicare and Medicaid that I think will weaken our commitment to those folks, and it does not mandate cuts in education and the environment that are far larger than we could

sustain. That would be—we cannot take the discretionary account down so low that we know that we will not be able to protect education and the environment.

So that's where we are. We can balance the budget. It's very important that the American people understand that. We have agreed, the congressional leaders and I have agreed already to far more than enough reductions in Government spending to balance the budget within 7 years. We already have.

The issue here is over the policies involving Medicare, Medicaid, education, the environment, our opposition to raising taxes on the lowest paid working people and on the size and structure of the tax cut. This has nothing to do with balancing the budget anymore. Nothing.

We could balance the budget, literally, in 15 minutes tomorrow afternoon. And the Congressional Budget Office would say hooray. The financial markets would say hooray. Interest rates would drop. The economy would start to grow. Everything would be fine. Then we could have an election in 1996 about whether the American people agree with their view of Medicare or mine, with their view of Medicaid or mine, with their view of our obligations in education and training of our work force and our children or mine, with their view of environmental protection or mine.

Now, that's what we ought to do. We can do this in 15 minutes. So when they express pessimism, it's because they don't believe that—at least, maybe in the House and perhaps in the Senate as well—that they can pass a balanced budget program that they, their own Congressional Budget Office will say is balanced, but doesn't further these ideological goals. We ought to have an election about that.

If we're going to walk away from the fundamental commitments of Medicare, we ought to have an election about that. We haven't had an election about that. If we're going to say that our children, because they are poor, are not entitled to the health care they would otherwise get or that middle class families that have disabled children who are now getting help will or will not get that help depending on who happens to be Governor

of a given State, we ought to have an election about that.

And if we're going to say we're going to reduce the number of college scholarships, college loans, investments in our education system, investments in environmental protection, we ought to have an election about that. That is not what the '94 election was about, certainly not what the '92 election was about.

So let's come back here, balance a budget in 7 years, show the American people we can do it, get the economic benefits of doing it, and then have all 1996 to argue about these policies. That's the proper thing to do.

We have bent over backwards to reach good-faith, honorable, principled compromise, and we can still do that. And I don't understand what the problem is. We can even have a reasonably good-sized tax cut and do it. But there is a limit to how big the tax cut can be, and there certainly is a limit beyond which we cannot go in good conscience based on our priorities.

And let me just make one final statement. Ever since the Congress and I agreed to reopen the Government the first time, there was a resolution we passed—we all agreed to it. It said that, finally, we would agree on a budget that was balanced in 7 years, that the Congress would say was balanced in 7 years, that protected our priorities, Medicare, Medicaid, education, and the environment, and that's what the resolution said.

From the next day, all I ever heard was, "Where is your budget that they say is scored?" As if they had no obligation at all to deal with the other parts of the resolution. Well, here it is. This is their letter.

Now, what we ought to do is honor the second part of the resolution. That resolution said we're going to put off the ideological battles until the next election. That resolution said, yes, we'll balance the budget in 7 years, but we will protect education and the environment, and Medicare and Medicaid. And all I'm trying to do now is honor the resolution that I signed off on when we had the first Government crisis a few weeks ago.

**Q.** Do you think they've deceived you, Mr. President, in their goals? Did they deceive you?

**The President.** No, no. I always told you what this is about. I said this weeks and weeks ago, months ago. I have not been deceived. But you know, we don't—in a political system where one party, where even, I might say, one philosophy within one party does not have total control, sooner or later you have to ask yourself, are you going to make the perfect the enemy of the good?

You know, when the Democrats—let me just give you an example. When the Democrats had the Congress in 1993 and '94, we passed the most sweeping education reform we've passed in 30 years. I did not agree with every last line in every one of those bills. But I did not make the perfect the enemy of the good. I said, I want the education reform.

We passed a crime bill after 6 years of people talking about it before I got here. I did not agree with every line in the crime bill, but I said—and neither did the Attorney General. But we said, we're not going to make the perfect the enemy of the good. We're going to have a principled, honorable compromise. We passed the crime bill. We put over 30,000 police on the street. Crime is going down in America.

So I would plead with the Republicans to think about that, to look at that example. They can have an election over the biggest differences they have with me. Let's not make the perfect the enemy of the good. We have already agreed to enough spending cuts to balance the budget and to give a modest tax cut. Let us do it.

NOTE: The President spoke at 2:24 p.m. in the Cabinet Room at the White House.

## **The President's News Conference**

*January 11, 1996*

**The President.** Good afternoon. I want to report to you this afternoon and to the American people about the progress we've made toward achieving a balanced budget that reflects our values. But first, let me tell you about the action we are taking to help the millions of people along the East Coast who are stranded and afflicted by the Blizzard of 1996.

I have asked the Director of FEMA, the Secretary of Transportation, and the Sec-