loan volume to create small business in America. You're going to have a lot of that. There may not be any votes in it, but it's the right thing for America.

When I stuck up for the elemental principle that we should reform affirmative action because there were some problems with it but that there was still discrimination in this country, and we ought to reach out and try to make sure everybody was considered without regard to their gender or their racial or ethnic background, not given quotas, not given reverse discrimination, but at least given consideration for equal opportunity, I was told, ''This is dumb politics. Look at the polls. You're crazy.'' All I know is, look around this room. We're going up or down together, folks. Our ethnic diversity is the greatest resource we have if we use it in a sensible way. So we should amend affirmative action but not end it.

The Vice President said something I'm really proud of. He will tell you, we were told by expert after expert after expert about politics that the First Lady should not go to China. They said, ''Oh, it's a no-win deal. If you go over there, people that are concerned about human rights will attack her and attack you. And whatever you say, if you say anything strong, well, you'll put our relationship haywire. It's a lose-lose deal.'' But you know what? Somebody needs to speak up on behalf of the United States for the principles of freedom and liberty and decent treatment for women here at home and throughout the world. What happens to women and little girls throughout the world will have a great deal to do with the world we live in. And I'm proud of what she did, and we did the right thing to send her there.

Well, you get the idea. So what I want you to do is to go out of here and say, ''Look, you may not agree with everything Bill Clinton and Al Gore do.'' [*Laughter*] ''I don't agree with everything Bill Clinton and Al Gore do. They make mistakes. But you've got to give them one thing: they've got a clear vision of what they want America to look like; they've got new ideas and old values; they are committed to working with Democrats and Republicans to find common ground based on those values; and they're doing what's right for the next generation, even if it is politically unpopular, and in a time of change, that's what we've got to do.''

I want you to take that out to every person in Florida. We need to win Florida. But more importantly, America needs to stay on the right course: more jobs, higher incomes, safer streets, a cleaner environment, an opportunity to lead in a world that is safer and better, and to come together. If we do that, the best is yet to be.

Thank you, and God bless you.

NOTE: The President spoke at 7:35 p.m. in the Sheraton Bal Harbour. A tape was not available for verification of the content of these remarks.

Statement on House Action To Reauthorize the Ryan White CARE Act

September 19, 1995

I congratulate the Members of the House of Representatives on their overwhelming vote to approve a 5-year reauthorization of the Ryan White CARE Act. This legislation will assure that Americans who are living with HIV and AIDS will continue to receive the life-sustaining services that they need. The Ryan White CARE Act is a lifeline to thousands of Americans who otherwise have nowhere to turn. I hope the House and Senate can quickly work out their differences on this legislation and send me a final bill as soon as possible.

Remarks and a Question-and-Answer Session at the Little Sisters of the Poor Home for the Aged in Denver, Colorado

September 20, 1995

The President. The reason I wanted to come here today is because by coming I hope to honor the work that this home has done and also to point out how dramatically our Nation has been able to improve care for elderly people in the last several years because of the commitments we have made through the Medicare and Medicaid program.

And as you know, there's a big debate in Washington going on now about balancing the budget and what we have to do to balance

the budget. And the health care programs have been the fastest growing part of our budget, just as they've been the fastest growing part of a lot of families' budgets—the cost of health care. So I strongly believe we should balance the budget, and I believe we have to lower the rate of growth in health care spending. But the real question is how do you do it.

And the Medicaid program I think is particularly important because 70 percent of the people who receive the benefits are elderly and disabled people who live in places like this. And the program is funded between 50 and 80 percent, depending on the State, by the Federal Government, and the State government makes up the rest. And it's administered by the Governors. Governor Romer is here, and he and I worked together for years when we were both Governors on this.

But one of the congressional proposals we believe—he and I believe—would cut the Medicaid spending by so much that it would endanger the ability of our country to care for every eligible person and to maintain the high quality of care. You know, when President Reagan—this has been a bipartisan issue, I should add, until this very moment. In 1987, President Reagan signed a law that many of us who were Governors strongly supported upgrading the standards of care in residential facilities. You remember that.

Before that, as many as 40 percent of the people, elderly people in residential facilities in this country were over-medicated, were often unnecessarily physically restrained. It was a very different situation. Not here, but in other places in these for-profit homes. And since then, there's been this dramatic improvement in care. Now, the Congress did make some mistakes, and we've largely corrected them, I think, in the last 3 years, in trying to make sure that the program grew at a manageable rate.

But with more people living longer and more and more people becoming eligible for Medicaid, for this kind of care, I think it is very, very important that we recognize that we have two fundamental moral obligations here.

I think we're obligated to balance this budget to take the debt off our children and grandchildren, but we're obligated to do it in a way that represents—that reflects our responsibility to our parents and grandparents. And in doing the right thing by America across the generations, it's not always easy, but it's clearly one of our most important obligations.

And of course, as all of you know, the families—if we were to have a budget in place in the National Government which would make hundreds of thousands of people over the next 7 years ineligible for support in nursing homes and millions of people ineligible for help for home care, it would have a drastic impact not only on the senior citizens but on their children.

So I wanted to come here just to highlight to America not only the magnificent work being done here by Mother Patricia and others but to talk about what's being done all over America and how we have to find a way to balance the budget without wrecking the system that makes this kind of thing possible.

I think it must be very rewarding for all of you to know that not only that this place exists for you, but there are places like this all over America where people can live in dignity and security and have not only their health care but their emotional needs met.

So that's why we're here. And I'd like to—perhaps the Governor would like to say something, but I'd like to spend whatever time I can listening to you talk a bit.

[*At this point, Colorado Governor Roy Romer advocated a national floor for Medicare and Medicaid so States would provide the same minimum standard of care.*]

The President. I should say, just to explain what the Governor said, yesterday the House of Representatives seemed to be embracing—the majority of the House of Representatives seemed to be embracing a plan where the Federal Government would just send every State a check for the next 7 years and cut what we project to spend on Medicaid by about a third, give them a third less and tell them to do whatever they wanted to with the money, which means that now we have a more or less uniform system. That is, States can provide more services, if they like, to seniors or to poor children under Medicaid, but there is a floor below which they can't go, which means that as more and

more families move across the country and live in different places, it means that their parents and grandparents can live anywhere they want with them, be in any kind of facility and know that at least within some limits, they'll be treated equally across the country. That's the point the Governor is trying to make.

[*A participant described the service her organization performs for seniors to ensure their independence and dignity and stated that Medicaid was essential. She concluded that she volunteered because of the example of Mother Patricia Friel, administrator, Little Sisters of the Poor Home for the Aged.*]

The President. She's an inspiration to me. I think I might—[*laughter*]—I'm interested in living to be 90 now. Before I got here this morning, I didn't know. [*Laughter*]

Let me say that our best estimates are—the proposal that I made would basically slow the rate of growth of spending and require some real discipline on the part of the States. But it is about a third as costly as the congressional proposal. We estimate the congressional proposal could keep, within 7 years, 300,000 people who are now eligible out of nursing homes and over a million people who are now eligible from getting home health services.

And of course, obviously, with people—the fastest growing group of people in America today by percentage are people over 80. And more and more of them are able to live at home because we're learning so much more about what it takes to stay healthy, stay fit. As you know—you're working with them—it would be, I think, a terrible mistake, indeed, even a terrible economic mistake to do anything that would undermine our ability to support home care.

[*A participant described the progression for seniors from home care to assisted care to nursing home to hospital care and advocated the longest possible independent living for seniors.*]

The President. Since you made that point, I'd like to, if I might, just interject one thing that I've not seen in any coverage of this anywhere, and I'm not faulting the press. I think it's something that none of us have really thought to emphasize, but, Roy, a lot of these programs where some of the people are on Medicaid and some aren't depend on the Medicaid money, in effect, to subsidize the service of the others. So the number of people who could be losing the benefits of this could be far greater than the number of people in Medicaid because of that.

As you also know, Medicaid for the last several years has provided help to low-income elderly people to help them buy into Part B of Medicare. So also, another thing that will happen, I believe, is that we could be getting very false savings by all of a sudden having elderly people drop out of Part B of Medicare, and it looks like we're spending less money on Medicare, so they don't get regular care, and then we wind up aggravating a problem we already have, which is spending too much money on intensive care when people are desperately ill and maybe nothing can be done.

I'm glad you brought that up because I hadn't thought to mention that to anyone in this whole debate. But I know it to be true from my own experience as a Governor. We had lots and lots of programs where Medicare—we put in a little money, let's say, for half the people and the other half of the people, maybe they could come up with a little something, but they really basically got to be served at a discount because Medicaid was there.

What about you?

[*A participant described how a cutback in Medicaid would affect her family and asked if the working class would be the only group affected by the changes.*]

The President. The answer is, I think, to be perfectly accurate, I think there is—a small part of the savings would come from charging wealthy retirees and their families significantly more for a part of Medicare. And in that sense, in an atmosphere of cutbacks, that was a part of the plan that I offered last year when I was trying to get universal health care coverage. But the vast, vast majority of the burden will be borne by the middle class and by lower income elderly people and their families, because they tend to rely—first of all, you have to be of a certain income level to be eligible for Medicaid; and

secondly, in Medicare—75 percent of the people on Medicare have family incomes of under $24,000.

And again, I think this becomes a moral question. If the whole thing were going broke and we couldn't do it, we would all have to look at whatever options were available, where what we need to do is to fix and reform these systems in a disciplined way so they'll be there from now on. And we can do that without causing the kind of havoc that's going to be visited on average people's lives, I think.

One of the reasons I wanted you all to be here is I want people to understand that this is a thing that has family impact.

[*Governor Romer stated that Colorado calculations showed the congressional proposal would increase costs to the State by $40 to $50 million at a time when the State had planned to increase education expenses by the same amount, forcing the State to choose between education and health care.*]

The President. In other words, the Congress is taking the position that they'll just give this arbitrary cut to the States, and they are sure they'll be able to just manage the program better. But the truth is, they'll be making decisions just like you will be. Children will be making decisions between their parents and their own kids, between their health care and their parents and the education of their children. States will be making decisions between the health care of their elderly citizens and the education of their children in a much more extreme way than in our experience.

And again, I would say, if it were absolutely necessary to either save Medicare or Medicaid or to balance the budget, it would be one thing. But it is not necessary. There are many options to balance the budget and preserve what you are celebrating here around this circle this morning.

Would you like to say anything?

[*A participant suggested that the money being spent on Medicaid and Medicare be invested.*]

The President. You mean invested by the Government?

Q. Yes.

The President. Well, one of the things that they propose to do, that they're trying to do, the Congress is trying to do, is to allow people to invest some of their money that would otherwise go into Medicare and Medicaid into a medical savings account.

The problem with doing it that way—I'll answer your two questions—and I've thought of both things. I think a medical savings account, by taking some of the money that would have gone into Medicare-Medicaid, giving it to citizens, letting them invest it in a medical savings account, the good thing about that is that you might be able to get a higher rate of return than the Government gets a—I mean, we invest essentially in Government securities. The problem is that it only works if you happen to be a healthy elderly person, if you see what I mean. In other words, if you have a period of long-term health where you're investing and earning, you do great. If you get sick in a hurry, where you have to draw down, you'll be in the hole, which is why we have programs for the whole society. So the medical savings account may be something that we ought to explore and experiment with, but it will always, I'm convinced be sort of an add-on, a marginal support for what needs to be a fundamental program.

The problem with the Government investing in mutual funds is—knock on wood, I hate to say this since the stock market has gone up so much since I've been President—is that it's fine if we get a high rate of return than we get from Government securities, but the problem is you have to be taking money out on a regular basis, as you know, to fund a health care program, and sometimes the stock market's going up and sometimes it's going down and when the time came for our quarterly withdrawal if there had been a 50-point drop the day before in the stock market, we could be really in deep trouble, which is why we've always relied on the basic steady but lower rate of return from Government securities when we invest in them.

Q. Can you do half and half?

The President. Well, I don't know. The problem is—another problem is, because we've been running a deficit, is that we have to have the money to basically, in effect, to finance our own deficit. It may be an option,

but I think that's something—that's one thing that States will be able to look at if they have some more flexibility here.

But the problem is, when you make those investments in mutual funds, the thing that really makes it go is if you believe there is a long-term trend in the stock market, you have to have the flexibility, just like an individual investor, of when to withdraw. In other words, the investor decides when to withdraw. So if you lose money, you say, ''Oh, it's awful, but thank goodness I don't have to cash my stocks in. I think there will be a turn.'' Even after October, '87, the people who could ride it through if they could wait a year or two, were making a profit again. But the Government, we'd have to withdraw these funds on a regular basis to pay our bills, so that is the risk inherent in that.

Q. Well, according to the trustees' report, though, if we go with your plan, we'll be out of money like 2005, and the Republican plan would be 2015.

The President. The trustees haven't said that yet. It depends on what the Republicans do. If the Republicans have all of their Medicare cuts coming out of doctors and hospitals, they could stretch it to 2015, but the general conclusion of the health care community is that if they did that, they would be closing large numbers of health care facilities and a huge number of doctors would simply opt out of the program. So that's why they've got a problem. They actually adopt—right now, they adopt cuts in the hospital program, the Part A, about the same size as ours. But they have this $90-billion amorphous amount of money that they can't say how they're going to save yet. So they can't go any further than we do unless they take more money away from the hospitals and doctors.

My problem is that—let me just back up and say, my problem in this whole thing is, when we put our budget together, we asked the following questions to the best of our ability. We asked the substantive questions. How much can we take out of Medicaid over the next 7 years without having doctors opt out or closing hospitals that need to stay open or really damaging the elderly in the country? How much can we cut Medicare over the next 7 years without really hurting the hospitals and the medical delivery system that depends on it? Let's squeeze it as hard as we can. That's what we did.

What they did was to say, ''We promised to balance the budget and give a $250-billion tax cut to the American people. How much do we have to cut Medicare and Medicaid to meet that number?'' It seems to me that once you commit to an end of balancing the budget, then you have to say, how can you balance the budget consistent with how much money you can take out of the health care system?

What they said is, ''Here is our target date. Here's how much of a tax cut we're going to give. Therefore, we're going to take $450 billion out of the health care system.'' And I think that, frankly, they have no idea whether they can do that. They don't know what the system will bear. And I think it's far better to be more disciplined about it and take a little bit longer and know that you're not going to upset this complex of relationships here that have developed. If you do that, you can always experiment with the medical savings accounts; you could always experiment with alternative investments; you could always do these things. But you have to realize that these people, they have to get up and run this place tomorrow.

Q. That's right.

The President. And the hospital downtown, they have to get up and run those places. I mean, their lives go on. And some decision we make in Washington may or may not be consistent with the reality of what it takes to run the place. That's what we're trying to struggle with there.

[*The participant described the percentage of the budget which should not be cut and then asked why cuts could not come from the remaining percentage, like tobacco subsidies.*]

The President. Well, one thing, there is a lot cut out of that, a great deal being cut out of that. And a lot of that is——

Q. How about more?

The President. But a lot of what's left is education and infrastructure and the things that grow the economy. Again, you have to understand, I think the issue is: What are our objectives here? If our objectives are to balance the budget, secure the financial integrity of Medicare so that it's there from

now on, and invest enough in Medicaid and Medicare to make sure that the fundamental mission can be achieved as we slow the rate of inflation growth, and then the rest of your money we should spend to provide the national defense and to grow the economy and to help people help themselves. Then we should put all that together and come out with a plan to balance the budget as quickly and as well as we can.

But they did it backwards. They said, "We promise to balance it in 7 years and to give a $250 billion tax cut—this is how much we have to cut this other stuff—and to increase investment in defense to build new weapons systems."

And I just believe that—believe me, we are looking at all possible alternatives. I have already passed—the first 2 years of my Presidency with the previous Congress, they took the deficit from $290 billion to $160 billion; they added 3 years to the life of the Medicare Trust Fund; they voted to reduce the Government to its smallest size since John Kennedy was President. I mean, it is the first time in decades that we have actually reduced that other part of the budget, dramatically.

But that other part of the budget also includes things that will really shape our children's future: research and development, investment in technology, medical research, a whole range of things. It's now a much smaller part of our budget than it used to be. Most of what we spend money on today is Medicare, Medicaid, Social Security, and defense.

Now, the other thing you should know if it weren't for—to make the point further about how much we've been cutting—if it weren't for the interest on the debt we pay today for the debt run up between 1981 and the day I became President in 1993, the budget would be in balance today. So there really is an argument for trying to bring this budget into balance so you stop wasting so much money on interest and start freeing it up. And we are doing our best to cut these other things.

For example, the tobacco program—and you know I'm the first sitting President ever to take on this issue to try to limit teenage smoking, and I'm in a big struggle with tobacco companies. But you should know that the tobacco program itself is self-financing. There is no direct Government subsidy to tobacco farmers. It's a self—they pay a fee, and then it rotates back there. So it's a self-financing program. The only expenditure the Government has, I think, is for whatever administrative costs the Department of Agriculture has to administer the program, which is not—it's a very small amount of money.

And believe me, I tried to raise the cigarette tax to help pay for health care last year, so I'm open to that. But there's just not much money there.

[*A participant expressed concern about waste and abuse on the part of the providers.*]

The President. That's correct. There has been a substantial amount of fraud and abuse on the part of providers. And the General Accounting Office of the Congress has estimated that it may be as much as, in some years, 10 percent of the total cost, which is a lot of money. So, to try to address that, we have tripled the number of FBI agents that are working on health care fraud and we have doubled the number of prosecutions of serious Medicare and Medicaid fraud. And that's beginning to make a big difference.

And that's one of the ways that we proposed to meet the inflation targets. If you can take that out of the system, you can continue to give homes like this one an adequate return through Medicaid to do the work that they have to do. That's what we're—but you're absolutely right; in terms of the recipients, there is no question of fraud. You never have any questions about Medicare and Medicaid eligibility the way you do the Food Stamp Program, for example, which, by the way, we're also doing a better job of—Food Stamp rolls are down, and we're getting a hold of that.

But since you're eligible here by age in Medicare, or by age and income in Medicaid, it's a much clearer situation. And you're right, it's very hard to abuse the program,

[*A participant expressed appreciation for the President's approach and said that, while there was talk of cutting regulations, regulation seemed on the increase and cited respite care as an example of how regulations encumber respite care, making it unworkable.*]

The President. You mean you can't just do that having met the standards of running this operation?

[*The participant described specific requirements that make it difficult to offer respite care.*]

The President. You know, no one has ever mentioned this to me before. This is very interesting, and I'm somewhat embarrassed to say it's never occurred to me before. It's a great idea.

Let me ask you, if you wouldn't mind, would you be willing just to put on paper for me the kinds of things that you think ought to be changed, that you think would facilitate you doing this kind of thing? I'd be happy to see what I could do, because we are really working hard—we have already abolished 16,000 pages of Federal regulation. And we're trying to do a lot more, because I think a lot of things are over-regulated and they focus too much on input rather than evaluating the results. If you get good results—as a matter of fact, this is—I don't know why we shouldn't do it in this context, but we are now picking 50 big companies in the country for a new experiment on clean air. And if they tell us that they will meet the clean air requirements of the law and be tested on a regular basis, we'll let them throw the rulebook away for figuring out how to do it. In other words, if they can figure out how to do it cheaply and more efficiently than all the rules and regulations, they can just ignore them, because all we care about is whether the air is clean.

So those are the kinds of things that I think we ought to be looking at. So if you would send me that suggestion I would be very, very happy to—if you could also send a copy to the Governor, because some of those things may be things that are within the State's ability to deal with rather than the Federal Government.

[*A participant described the respite care program offered by the Little Sisters of the Poor.*]

Governor Romer. Do you have a program for Governors? [*Laughter*]

The President. You know, Roy and I would like a little respite care here. [*Laughter*]

We'll be back in a month.

[*Mother Patricia Friel asked for concluding remarks. A participant described her life at the home and indicated that it would not have been possible without Medicare and Medicaid.*]

The President. Would you like to say anything before we go?

[*A participant described the impact of Medicare and Medicaid on her life.*]

The President. I don't know what we'd do if it weren't for people like you who would work until you're 74. Bless you. Thank you.

[*Archbishop Francis Stafford of the Denver archdiocese thanked the President and the participants.*]

The President. Let me also tell you just one thing. We're going to do our best in the next 2 months not to play politics with your lives. I mean, not to unduly aggravate the differences, not to—I'm going to do my best to get an agreement here that will give the country the confidence that we can balance our books and go on into our future, but that also will give you the confidence that you can educate your son and not worry about your mother. I believe it can be done.

But I believe we have to look realistically, and we have to do it from the bottom up. We have to know what is possible, and that's why I wanted to meet here today, and we're going to explore every conceivable alternative. But in the end, we need to—places like this need to do well, and programs like yours, helping people stay home and running respite care, they need to do well, because we're all going to be—this country is going to get older, and people are going to live longer, and that is a good thing. It is a good thing, not a bad thing. We just have to find a way to manage it, and it's a new thing.

Governor Romer. Mr. President, you're not going to have a chance to see this whole facility. I've just been staring at this floor. I don't know——

The President. Amazing, isn't it?

[*Governor Romer and Mother Friel made brief concluding remarks.*]

The President. Thank you very much.

NOTE: The President spoke at 9:43 a.m. in the first floor lounge.

Remarks to the Community at the Little Sisters of the Poor Home for the Aged in Denver

September 20, 1995

Thank you very much. Thank you very much, Marie Schroeder, for that robust introduction. [*Laughter*] And quite to the point. I was almost lost in my notes there for a moment—[*laughter*]—there it was, time to be here.

Mother Patricia, Mother Provincial Margaret, Archbishop Stafford, and my long-time friend Governor Romer, I thank you all for being here today, and I thank you for your wonderful welcome. I want to say a special word of thanks to Helen Cooper and to her daughter and son-in-law, and to Reynalda Garcia and to her two daughters, for spending some time with me just a few moments ago to discuss the care that they receive in this wonderful home and the role that Medicare—I mean Medicaid plays in that. I want to thank all of you for giving me the chance to come here. And I'd like to begin by a special word of appreciation to the Little Sisters of the Poor who run this wonderful facility and who in their lives, with just a little bit of help from the Government here in the form of Medicaid, illustrate an ethic of service that few Americans can hope to match but all Americans should seek to emulate. I thank them for that.

I have come here to talk about a Government program called Medicaid, what it means to families like yours all across the country and what role it should play in our efforts to balance the national budget.

We are all now living through a period of remarkable change in our country's history. Everybody knows it. You have only to follow either the events in the news or perhaps even the events in the lives of your own families to know that we are changing the way we work and the way we live more dramatically than at any time in the last 100 years.

About 100 years ago, we began a transition from an agricultural and rural society to a more urban and industrial society. Now we are in the midst of a transition from that urban industrial society to a society that runs primarily on dramatic increases in technology and in information and one in which all the countries in the world are increasingly united together after the cold war in a global economy but one that is not free of difficulty, as you know.

The more we seem to be integrated economically, the more we often seem to be splitting apart in other ways. And we see the rise, for example, of extremism and groups of hatred rooted in religious or ethnic or racial differences all across the world. We see it when a bus blows up in Israel or when a fanatic breaks open poison gas in a Japanese subway or when, unfortunately, the Federal building was blown up in Oklahoma City.

So in this period of change, it is not surprising that one of the things that we have to do is to be open to new ideas about what we have to do to change the way we do business in America so that we can adapt to this new age. But it is also important to remember that every period of change is a challenge, in my mind, issued ultimately by God, to make the adjustments we need to make change our friend while maintaining true to our basic values. And that's really what this debate in Washington about the balanced budget is all about.

We ought to balance the budget. We never had a permanent, built-in deficit in our country until 1981. We quadrupled the debt of America in the 12 years from 1981 until the day I became President. We built in this huge deficit. We wanted lower taxes and we wanted higher spending, and we took both and forgot about the consequences to our children, our grandchildren, and the future. It is so bad today that interest on the debt next year could exceed the defense budget. And interest payments today are so great that the budget would be in balance today but for the debt run up in the 12 years before I became President.

On the other hand, if we're going to balance the budget, we have to say, why are we doing this? What's America all about? What have you given to us that we have to give to our children and grandchildren? A reverence for work and family, for personal responsibility, and responsibility to the com-