

As I said, these numbers show that the Congressional Budget Office agrees that you can balance the budget and still provide adequate protection for Medicare, Medicaid, education, and the environment.

Q. How soon do you think you can get this closed?

The President. How soon—I don't know—we've been in about a 2-hour recess now, and I'm looking forward to getting back to work. And I'm prepared to work all day tomorrow. We have tentatively agreed to start again tomorrow morning, and if the weather doesn't prevent us, I'm prepared to just stay all day. Depending on how big a snow, the weather might not only not prevent us but actually help us to stay here and get downright cozy.

NOTE: The President spoke at 9:06 p.m. in the Oval Office at the White House.

Statement on the Death of Former President François Mitterrand of France

January 8, 1996

I learned with deep regret this morning of the death of former President of France François Mitterrand. During his 14 years as President of the French Republic and in frequent service as a minister in the post-war years, President Mitterrand put his remarkable intellect and deep-rooted dedication to democracy at the service of the French nation.

Not only France but the United States and the entire world benefited from his strong and principled leadership. He stood shoulder-to-shoulder with his NATO allies during the Soviet challenges of the early 1980's, the Gulf war, and the peaceful revolutions that ended a half-century of East-West confrontation. President Mitterrand's stalwart leadership during some of the Alliance's greatest challenges leaves the people of Europe with a hard-won legacy of peace.

I consulted frequently with President Mitterrand, as did my predecessors, and greatly valued his insights, advice, and wisdom. He was a man of vision whose strength helped bring Europe and the West through a period

of tough confrontation to the peaceful, undivided Europe we are building today.

Hillary and I join the American people in expressing heartfelt sympathy to the people and the Government of France and to Danielle Mitterrand and the Mitterrand family. We hope the sorrow of this difficult time will be eased by an appreciation of the profound contribution that President Mitterrand made to his nation and the world. He was a great statesman.

The President's News Conference

January 9, 1996

Budget Negotiations

The President. Good afternoon. As you know, we have just completed another long meeting with the Republican and Democratic leaders in the Congress. We have arrived at a point where, clearly, all sides have agreed on more than enough cuts to both balance the budget in 7 years, according to the Congressional Budget Office, and allow a modest tax cut. A final agreement on the balanced budget, I believe, is clearly within reach.

Unfortunately, the talks have not yet succeeded because we do still disagree on the level of cuts in the programs of Medicare, Medicaid, aid to poor children, the earned-income credit, which protects the hardest pressed working families, and education and the environment.

The Republicans still want cuts in Medicare and Medicaid that we believe are well beyond what is necessary to balance the budget, and cuts in the discretionary account which funds education and the environment that we believe are excessive and beyond what is needed to balance the budget or to provide a reasonable tax cut.

Still I want to emphasize that we made progress today. The atmosphere was good. It was a genuine bipartisan effort. We are moving closer together on the spending numbers. At the opening of the meeting, we moved and made an initial offer to them. We are clarifying areas of policy agreement as well as the areas of disagreement. And today we agreed to a recess to last no longer than until next Wednesday, during which time our

staffs will work directly to clarify the agreements, as well as the remaining areas of disagreement, and hope to find some new ideas to bridge the gap which remains.

I also would say, right at the very end of the meeting I left all the parties with a proposal which could possibly bring this to a conclusion. And I asked both the Democratic and the Republican leaders to consider that proposal.

Over the last year, I've worked hard to find common ground on this issue. At the start of the process, I said the Republican Party and the Democrats and I shared a common goal to balance the budget. And I agreed that we also ought to have at least a modest tax cut targeted to middle class families. I was determined to reach this goal in a way that reflects our fundamental values: our duty to care for our parents and our children, our commitment to provide opportunity for all Americans, to invest in education, and to protect the environment for the future.

In June I announced a balanced budget plan that offered a modest tax cut and protected Medicare and Medicaid, education and the environment, without raising taxes on working people. Then the congressional Republicans said that the plan took too long and asked me to do it in 7 years. In an effort to find common ground, I went back to work and cut several hundred billion more dollars out of the budget and presented a 7-year budget. Then, because we disagreed on certain assumptions in the budget—primarily affecting the last 3 years, I might add—they asked me to agree that in the end we would have to have a budget that met their assumptions. I agreed to that, as long as the budget protected Medicare, Medicaid, education, and the environment and did not raise taxes on working people.

Then some of those in Congress said they wanted me to present such a budget. So after our negotiations had gone on for some time, I did that. When I presented that budget, which was prepared by Senator Daschle, it did highlight the differences between us, because it does have smaller cuts in Medicare and Medicaid and education and the environment. There is no tax increase on the hardest pressed working families. And the tax cut is a smaller one and more carefully tar-

geted to middle class families. But clearly, it balances the budget in 7 years, and the Congress and the Congressional Budget Office agreed.

I want to emphasize that I want to do this. And I ask all of you to remember that the deficit has already been cut in half in just 3 years from what I found when I came here. This administration has the credibility of its actions behind its plan. I hope that we can reach agreement. There is still about a hundred billion dollars' difference in the cuts that the Republicans want us to make in Medicare, Medicaid, aid to poor children, and the earned-income tax credit for working families that we believe are not necessary. We are trying to work through that.

It seems to me clear that—and as I've said this many, many times—sooner or later a decision has to be made: Are we going to balance the budget and provide a modest tax cut, or are we going to fundamentally weaken the guarantees inherent in the Medicare and Medicaid programs and change policies dramatically and provide a tax cut that, in my view, cannot be justified by the circumstances in which we find ourselves? So that is where we are today.

Let me say again, we moved closer together today. I made a move toward them, and then at the end I made a proposal, then asked them to consider it. I hope that we can continue to make some progress. I will say again, we have agreed on several policy areas in the Medicare program, for example. The most important policy we can adopt is one which gives more incentives for people to move into managed care programs without forcing them to do so. I've been for that since 1993. We are in complete agreement on that. And the Medicaid program—we've agreed that the States should have more flexibility to get people into managed care, to find ways to save money on the program so that they can expand coverage to others who don't have it. We're in agreement on that. And we can agree on a balanced budget with a tax cut if we don't hold either goal hostage to an excessive tax cut or to excessive cuts in the priorities that are very important to our future.

So I want to keep working together. I think we did—we've covered a lot of ground. We

have certainly learned a lot from each other. And I am very much hoping that we can make this agreement. It will require us to make some more steps to bridge the gap, but the—we have agreed to well over—way over \$600 billion in savings, more than enough to balance the budget. What remains is the, if you will, the ideological differences over the size and shape of the tax cut and over the size and character of the changes in Medicare and Medicaid and the investments in education and the environment.

Q. Mr. President, do the Republicans want the biggest tax cut for the richest people in the country? Do they still hold to that?

The President. Well, the largest amount of money in their tax program is one, of course, with which we're very sympathetic—it's a children's tax credit. I've proposed the family tax credit for children, and they have, and theirs is more generous than mine. They spend much more money on theirs than mine. So that's the largest amount.

The capital gains tax credit will have the biggest economic benefit to the smallest number of people. And then there are some other things in their tax program which is kind of skewed upward. There are also some other very good things in their program. We have to ask ourselves, you know, how much we can afford. A lot of the things in their program that I agree with involve help for small business on the expensing provision. I have proposed some pension reform legislation. That was the number one priority of the White House Conference on Small Business. It only costs a billion and a half dollars over 7 years, but it was their number priority, and we agree on that.

So—and of course I would like to see this education credit that I have been advocating. But overall we have to ask ourselves: What is the prudent amount of tax cut that can be afforded in a credible balanced budget plan? And how much saving can you achieve in the Medicare and Medicaid plan without either hurting the beneficiaries or crippling the health care delivery system? That is the issue.

And the truth is, no one knows for sure over 7 years. The savings that we have proposed are by far the greatest ever actually enacted. If the ones I have proposed were

to be enacted, they'd be by far the largest ever enacted. But I have tried, instead of taking an arbitrary number, to go out and analyze what the burdens on the providers, analyze what is likely to happen with the—for example, the number of poor children, the number of disabled people, the number of elderly people, and just figure out what we think the system can bear as we move towards managed care.

Keep in mind: If the Republicans turn out to be right, and a lot of these reforms that are happening in the health care system generate more savings than I think they will, or than I—than we can know they will, then no one in the wide world will object to us putting those in the budget next year, the year after that, the year after that. I just hate to see us write into stone something now that we might not be able to live with. And the markets are entitled to know, if we adopt a balanced budget plan, it is a credible plan with a reasonable chance of achievement.

Q. Mr. President, could you tell us whether the offer that you made at the start of today's meeting was a full-blown counter to the offer that the Republicans had made over the weekend? And secondly, could you describe, at least to some extent, the idea that you outlined at the end of the meeting?

The President. Well, we have agreed not to get into too much of our negotiations. I can say that—I don't know whether you'd call it a full-blown counter. It was—I moved in advance of the Daschle budget, toward their position at the beginning of the meeting, with the agreement of our Democratic negotiators. At the end of the meeting, I basically offered a set of changes which would bring us to the same amount of dollar savings, with a tax cut that would be targeted to families that would, I thought, come nearer to meeting what they said their objectives were on the tax side, without compromising where I thought we had to go with Medicare and Medicaid and education and the environment. Whether it will be—they want to examine it, I think, and I understand that. And they—I don't think they would characterize it as an offer, because it came literally from me only, not from Senator Daschle or Senator—or Congressman Gephardt.

Q. They seem to be suggesting that they'd made a great big step and that the response had been a rather smaller step——

The President. No, well, you can make—you can make numbers look like anything, but I—but let me say, I think if you go back and look at where my first budget plan was and where their first budget plan was, we have moved, I believe, at least as far as they have in the numbers.

But the point I want to emphasize to the American people is, our administration has cut this deficit in half in 3 years. I have always been for balancing the budget. I have bent over backwards to meet them halfway in a good bipartisan spirit, to do it in 7 years, not 9, as my plan would have done; to do it according to the Congressional Budget Office analyses, even though I don't entirely agree with it; and to make significant savings in the entitlement programs as well as the investment programs. But I don't believe we can go to the point where we don't know for sure that we have protected the people that are entitled to protection.

I have already—neither of these budgets is a big spending budget. Both these budgets will require steep cuts in spending. My discretionary budget, out of which we fund education and the environment, is lower than a hard freeze, which means there will have to be steep cuts in other areas in order for us to protect education and the environment.

So I will continue to work with them. We can do that, but we have to know when we adopt this budget that we can achieve these numbers without hurting innocent people. They depend upon us to balance the budget with discipline and with compassion.

Whitewater Investigation

Q. Mr. President, if I could just change the subject for a second. Your spokesman earlier today said that if you could, you'd like to punch William Safire in the nose for calling Mrs. Clinton a congenital liar in his column yesterday. I wonder if you'd care to respond publicly to these accusations against your wife.

The President. Well, what I said was, you know, when you're President, there are a few more constraints on you than if you're an ordinary citizen. If I were an ordinary citizen,

I might give that article the response it deserves.

I'm reminded of the great letter that Harry Truman wrote, which I—by the way, which I have now. It was a gift to me from a distinguished Republican. And I have it on my wall—you know, that Presidents have feelings, too. I think the American people—I would just remind the American people, we've been through this for 4 years now. And every time somebody has made a charge related to the Whitewater issue, it's turned up dry. And the only records, as far as I know, that haven't been disclosed so far, as far as you know, we still haven't seen the release of the RTC report, which says that, after all, we told the truth all along about the underlying matters here. So I just would like to ask the American people to take a deep breath, relax, and listen to the First Lady's answers, because we've been through this for over 4 years now, and every time a set of questions comes up, we answer the questions and we go on. The American people are satisfied, and they will be again.

She is—I've said before, I'll say again—if everybody in this country had the character that my wife has, we'd be a better place to live.

Thank you very much.

NOTE: The President's 112th news conference began at 5:16 p.m. in the Briefing Room at the White House.

Excerpts of Remarks on “Clearing the Air: Kids Talk to the President About Smoking”

January 9, 1996

Linda Ellerbee. How can a kid ask a grownup to stop smoking?

The President. Oh, I think directly. I think children should not be self-conscious about that. I can tell you, you know, Chelsea did some very blunt things to her grandmother. She said, “You ever seen a picture of a lung where people have smoked for years, as against the picture of a lung where people haven't?” I mean, very straightforward stuff.

Ms. Ellerbee. Did it work?