

Now let me say again: A lot of good has come out of these talks. It is plain now to the whole country that not only Americans in every community in our country but people here in Washington are committed to a balanced budget in 7 years.

There are areas of disagreement, and they involve more than money. They also involve policy. You already know, as I said, that we have moved toward them in trying to show good faith and reach agreement on the dollars. There are still significant money differences, and they are the same money differences that we started with. I believe that the Republicans are insisting on reductions in Medicare, Medicaid, education, and the environment which are clearly not necessary to balance the budget and not necessary to give a modest tax cut. And I believe that those reductions are in effect being put into this budget to pay for a tax cut that is larger than is warranted under these circumstances.

But let me say there are also some policy differences. And I'll just mention a few. There are more, but let me mention a few. Their Medicare program could require elderly people who choose to go into managed care programs to pay extra fees to see the doctor of their choice, something which is not required today. The medical savings account and fee-for-service options they would provide to all seniors on Medicare could lead to the healthiest and most well off of our senior citizens taking money out of the program which would not be spent in any given year and leaving in the program people with higher medical costs with a lower financial base to cover it. If enough of this happened, it literally could cause the Medicare program to wither on the vine.

They would repeal Medicaid's guarantee of adequate medical coverage for poor people, including poor children, pregnant women, and the disabled. With block grants in Medicaid and lower levels of funding, States would be able to and actually might feel constrained to cut back on services to people who need mental health services, including hospital services. If the history that we all have, the modern history, is any indication, those would be the services that would be most vulnerable in tight budgetary times.

Their budget would dramatically cut programs that are designed to prevent drugs and violence in our public schools. It would deny preschool education through Head Start to about 200,000

young 3- and 4-year-old children from poor backgrounds and we know will be helped by it. It would impose great cuts in aids to poor schools that could cause class sizes to climb and certainly will undermine our efforts to put computers in all the classes of the United States as soon as we can in the next decade.

It ends the Goals 2000 program, which is the administration's program to meet national educational standards which have finally been set but to do it through grassroots reforms. It ends the national service program, which this year is providing 20,000 young people the opportunity to serve their communities and to bring in more volunteers to serve their communities in grassroots effort and earn money to go to college.

It would no longer require companies to pay for the cleanup of toxic wastes if the waste had been lying around 9 years or more. We know that 10 million children now live within 4 miles of a toxic waste site. Under their plan, the taxpayers would have to pick up the tab for these toxic dumps that were in existence before 1987. It would dramatically cut environmental enforcement to guarantee clean air and clean water. It would take the environmental police off the beat with cuts of about 30 percent.

So these are the policy issues involved, and these are just a few of them. When I submitted the plan to balance the budget in 7 years that the Congressional Budget Office agreed did that, I thought that would be the basis for our moving quickly to an agreement based on what we could agree on. I am still committed to that, but let me say—I heard the leaders of the Republican Congress say over and over again, "We have to balance the budget; we have to balance the budget. Why won't the President agree to balance the budget in 7 years? Why won't the President agree to the Congressional Budget Office numbers?" Now it is, "Why won't the President agree to bigger reductions in Medicare and a bigger tax cut?"

Now, if the job is balancing the budget, we know there will be differences between the two parties. These are healthy differences. We ought to have a lot of debates here. But I would remind you, there was only one hearing, only one, on the congressional Medicare plan.

So we can debate some of these policy differences all year long, and the American people can make their decision about what is or is not the right course to follow. But we already