

help our veterans apply for benefits, care for the national parks that are our natural heritage. They conduct the medical research that saves people's lives. They are important to America, and they deserve to be treated with dignity and respect. I will do everything I can to see that they receive back pay and that their families do not suffer because of this.

But it is my solemn responsibility to stand against a budget plan that is bad for America and to stand up for a balanced budget that is good for America. And that is exactly what I intend to do.

Thank you very much.

NOTE: The President spoke at 2:38 p.m. in the Briefing Room at the White House.

Statement on Action To Prevent Default on the Public Debt *November 15, 1995*

The Republican Congress has failed to take responsible action to prevent default for the first time in our history and to ensure that the Government can meet its obligations, including paying next month's Social Security benefits. To prevent against default and all of its subsequent harmful consequences, my Secretary of Treasury

has been forced today to take extraordinary but necessary actions. I won't allow the Republican Congress to force us into default or put Social Security beneficiaries at risk. If the Republican Congress won't take action to prevent default and protect Social Security recipients, I will.

The President's News Conference *November 16, 1995*

The President. Good afternoon. Today the Congress is considering a bill I find objectionable because once again it requires acceptance of the congressional Republican budget as a condition of reopening the Government.

Let me repeat: Holding the Government, the Federal employees, and the millions of Americans who depend upon them hostage to the congressional Republican budget is not the way to do this work. And it won't work, because I will still veto any bill that requires crippling cuts in Medicare, weakens the environment, reduces educational opportunity, or raises taxes on working families.

I have proposed a plan to balance the budget without undermining Medicare and Medicaid, education, the environment, or working families' incomes. If I were to sign their 7-year plan, in effect, I would be approving these cuts. I won't do that because I believe it would be bad for America.

We must balance the budget in a way that doesn't weaken our economy or violate our val-

ues, including providing the opportunity for Americans to make the most of their own lives, helping families to grow stronger and to stay together, strengthening our communities and our country.

Congress should act responsibly and pass a straightforward legislation to open the Government and enable it to meet its financial obligations. They should do it right now. That's what Congresses in the past have done, and that's what this Congress did last September.

The American people should not be held hostage anymore to the Republican budget priorities. So today I am sending Congress straightforward legislation that would reopen the Government without delay and without enacting into law the Republican budget.

We have to get to work on this in a serious way. I will work, I will work, with Congress in good faith to balance the budget. But I want to do it in a way that is good for America. It is not the fault of the Federal employees or the millions of Americans who depend upon

them that Congress did not pass a budget for this fiscal year by October 1st, as required by its own laws. And it's time for the Republicans in Congress to stop punishing them for that.

This is a new experience for our country. Congress has never before shut the Government down for an extended period of time. I'm determined to do what I can to reduce the damage to our people. I'm especially concerned that every day 28,000 people apply for Social Security benefits, 10,000 people seek to enroll in Medicare, 7,500 veterans make claims for benefits they are owed.

I asked the Social Security Administration and the Department of Veterans Affairs to examine their operations and see if there are necessary services that can lawfully be provided to the public. As a result of this request, this coming Monday the Social Security Administration and the VA will recall to work additional staff to process applications and claims. If the Government shutdown continues to prevent action to accept applications for Medicare, Social Security, and veterans benefits made by seniors and veterans, this backlog would be so great that service to these citizens would not return to normal for months to come. Our elderly and veterans deserve better, and I believe we are permitted to do better under the law.

Finally, let me say again, let us reopen the budget—the Government. Let's reopen the Government, and then get down to the business of balancing the budget in the right way.

Air Force One

Q. Mr. President, the Speaker has complained about the treatment that he and the other Republican leaders received aboard Air Force One on the flight to and from Israel. Is there any reason that he was treated as shabbily as he says he was? And is that reason for him to put forward a tougher CR than would have normally been the case?

The President. Let me, first of all, say, when, on short notice, the Speaker and Senator Dole, Senator Daschle and Leader Gephardt, two former Presidents, two former Secretaries of State, and 40 Members of Congress of both parties—when all of them agreed to go to Israel to Prime Minister Rabin's funeral, I was very grateful. It was a good thing for Israel, for the Middle East peace process, and for the United States. And I was deeply appreciative of that,

and I told them that on the plane flight going to and from Israel repeatedly.

Now as to your question about whether that is a reason, I don't know. But it seems to be in the atmosphere these days in Washington that we are connecting things together that don't properly belong together. I can tell you this: If it would get the Government open, I'd be glad to tell him I'm sorry. But I was clear in expressing my gratitude to everyone for going. It was an arduous trip. It was hard on them. They did it on short notice, and I was very grateful. And I still think it was a very important thing that they did.

Balanced Budget

Q. Mr. President, all of the numbers that you're arguing about from the OMB and the CBO in the out-years are just educated guesswork anyway, aren't they, and if so, would you agree to balancing the budget in 7 years if some neutral arbitrator, someone with stature like the Fed Chairman, were able to mediate some agreed-on set of numbers?

The President. First of all, I'm not going to make any agreements to do anything that would require me to agree to reductions in Medicare, Medicaid, funds to meet national standards in our schools, or to provide Head Start for our children or scholarships and college loans to people who need them and make the most of their own lives or to undermine the environment. It is clearly not necessary.

I would remind you that when I presented my 10-year balanced budget plan to Congress, which our own people say can now be achieved in 9 years, Chairman Greenspan said it was a perfectly credible budget. And I would also remind you, as Senator Conrad pointed out today with his charts, that if you look at what we did in 1993, we have outstripped what the Congressional Budget Office said we would achieve in our 5-year deficit reduction plan by well over \$100 billion.

So the methodology they are using is one no one accepts. And this is not one of those split-the-difference things. I split the difference between all the economic forecasts. I gave a very moderate and disciplined recommendation to the Congress based on the experts. I did not cook the books. Our growth figure for this budget is what the country has grown for the last 25 years. I cannot believe that the Congress seriously believes that if we balance the budget

in the right way our economy would grow more slowly in the next 7 years than it has in the last 25 years. Why then would you estimate that? Because that enables you to cut more. I do believe that there is a controlling element with an ideological bias toward cutting education and the environment and making as many cuts as possible in Medicaid and Medicare. But I think that's wrong.

And so I can tell you, I have proved something that they have not yet proved. I have proved that we know how to balance the budget and grow the economy. It was our administration and the Democrats in the Congress that voted for the last deficit reduction plan that has given us the lowest deficit of any large economy in the world, the strongest economy in the world, and a growing economy. We have proved we know how to do it. I am not going to engage in any negotiations now that would possibly compromise the principles that I know are good for America.

Q. Mr. President, Speaker Gingrich has contended now that 7 years is the most effective time period to get a balanced budget. He says he bases that on intuition. What's your current time target? You mentioned several different time targets over the weeks and months, and what do you base that estimate on?

The President. Well, first of all, if you go back to all my comments, with the exception of a comment I made in 1992 on the Larry King show, which we clarified within, I think, 2 days, what I have said is how long it takes to balance the budget obviously depends upon the assumptions you use and the other elements of the budget, how big will the tax cut be, for example. But I can tell you that we believe and we have said that we can implement the plan that I have put forward in 9 years.

What I did—the difference in the way we put our balanced budget together and the way they did is quite stark. That is we both had to have some estimate of how fast they thought the economy would grow and what we thought inflation and health programs would be. But they make it plain that they started with 7 years and started with their \$245 billion tax cut and then decided at a totally arbitrary way how much they had to take out of Medicare and Medicaid and these other programs.

That's not what we did. We said, "We have to balance the budget in a reasonable period of time. Here's how much we think the econ-

omy will grow. Now, how much can we cut? How much can we slow the rate of medical inflation in these programs? What can we cut? How can we continue to cut these hundreds and hundreds of programs like we've been cutting for 3 years and still have the investments left we need in educational opportunity, in the environment, in technology and research, and in the health care programs?" That's how we did it.

So we think we balanced the budget consistent with our values and our economic interests instead of the other way around. And therefore—and when I entered into these negotiations that's the way I'll discuss it. There is no magic timeline. You know, if we had 3 percent growth, the budget would be balanced more quickly than any of us calculate.

So this is a—to go back to the earlier question, it's important that the American people understand that this is a multiyear balanced budget plan. The budget is done on a yearly basis. This is a balanced budget plan. And the only thing I want to do is to have a plan that balances the budget consistent with our values and our interests. And I don't think you can discuss one item in isolation with the others. It's not—you can't talk about 7 years in isolation from everything else, or—so we put together our budget from the ground up in the right way. That's the way I'd like for these negotiations to proceed.

House Democrats

Q. Mr. President, are you concerned that you lost 48 House Democrats on the vote last night? They voted with Republicans, putting Republicans within sort of spitting distance of being able to override your veto.

The President. No. I would have been concerned if they made enough for a veto override. But to be fair to those House Democrats, they did—their budget is much closer to mine than the Republican budget, except they don't permit any kind of tax cut at all for working families, for education and childrearing. And as you know, I would like to provide one.

But if you go back and look at what the House Democrats did, they have much lower Medicaid, Medicare, education, and environmental restrictions cuts than the Republican budget, and they do it by having no tax cut at all and a reduction in the CPI. So what they thought was that they ought to say, "We

can do it within these frameworks, and we did it before so we want to own up to the fact that we did it before.”

But they have no intention, those House Democrats, except for maybe just a handful of them, of supporting the Republican budget. The argument I was making is that their vote would be misinterpreted as an endorsement of the Republican budget framework, which it manifestly was not. So I’m satisfied with the vote and how it came out.

Budget Negotiations

Q. So how do we get out of this mess? Where do we go from here?

The President. Well, I will keep working to find a way to open the Government and permit the budget negotiation to continue. But the American people just need to know, the Federal employees need to know that I believe I would be remiss in agreeing, in effect, to the Republican budget plan as a condition of reopening the Government.

I have demonstrated I want to balance the budget. I have demonstrated I am committed to deficit reduction. We endured a withering array of criticism from the House Republicans from which they benefited in ’93 and ’94 when they claimed we were going to bring on a recession. And we proved we could reduce the deficit and grow the economy. So I will deal with them in good faith. But I cannot agree to, on the front end, to their budget framework when I know what it really means is big cuts in Medicare, Medicaid, educational opportunity, and the environment. I can’t do that.

Now, we will keep working with them in every way we know how, but I’m not going to be pushed into that position because—someone has to stand up here for what’s right for America instead of for this exercise of political power.

Q. [*Inaudible*]*—there’s no room for any compromise on your part, that there’s no flexibility? I mean, usually in negotiations—*

The President. No, there’s—I didn’t say that. I didn’t say that. There are many elements in this budget which are variable. What I did say was, and what I will say again, is that I don’t propose to negotiate away 60 to 70 percent of the budget simply to get a continuing resolution to reopen the Government. And that’s what all this is about, an attempt to get the President

to negotiate away a majority of what could be the basis for compromise.

If I ask you to compromise with me, and then you say, “I will compromise with you, but only if you give me 60 percent of what I want on the front end.” Then we sit down, and we say, “Okay, let’s split the difference.” That’s a good compromise. You split the difference between 40 percent. You wind up with 80 percent. I wind up with 20. That’s what this resolution is all about. And no one should be confused by it.

And if we did it, it would be bad for America. I will not do something I know is bad for our country. That is my responsibility, to try to make sure that all the interests of the country are furthered.

White House Travel Office Verdict

Q. Do you have anything to say, sir, about the acquittal of Billy Dale?

The President. I do. First of all, I think it’s clear that there were some problems in the way the Travel Office was run, but there were also clearly some serious problems in the way it was handled by the White House. And all of you will remember we issued quite a self-critical report on how it was handled. And in light of that, I’m very sorry about what Mr. Dale had to go through, and I wish him well. And I hope that now he’ll be able to get on with his life and put this behind him.

Q. Will you offer him a job?

Japan-U.S. Relations

Q. What about relations with Japan in the aftermath of your forcing yourself to cancel the visit to the APEC conference and the state visit to Tokyo?

The President. Well, I want to reschedule the trip and take it as soon as I can, because the Japanese-United States relationship is very important. We’ve had a big increase in our exports to Japan. We’ve negotiated 15 trade agreements with them, and in each one of these trade agreement areas we’ve had an even bigger increase in our exports. We’re making progress in our economic relationship.

They are going through some tough times. If they weren’t having some tough times—some of the things that we went through, frankly, back in the eighties—with their financial system, we’d even be doing better because they’d be doing better. We’ve had some issues to deal

with in our security relationship, but it's still fundamentally strong. And I have the greatest respect for the nation and for its people, and I think all of us know that a strong U.S.-Japan relationship is critical for the world as we move into the 21st century.

So I called Prime Minister Murayama; we had a very good talk. I have already talked to two of the other APEC leaders, President Kim of South Korea, and President Soeharto of Indonesia. I expect at least to talk to the President of China, perhaps some others before the meeting. The Vice President is going to the meeting, and then we'll have a bilateral meeting with Prime Minister Murayama. So we're determined to keep this relationship on track.

I assured him that my absence from Japan has nothing to do with our relationship or my importance—the importance to which that I attach to it. So I think we'll be fine. But we need to—when you say you're going to go visit your neighbor and you have to cancel the visit, you have to reschedule and show up. And I intend to do it.

Thank you.

NOTE: The President's 106th news conference began at 3 p.m. in the Oval Office at the White House. In his remarks, he referred to Prime Minister Tomiichi Murayama of Japan; President Kim Yong-sam of South Korea; and President Jiang Zemin of China.

Statement on Signing the Department of Transportation and Related Agencies Appropriations Act, 1996

November 16, 1995

Last night I signed into law H.R. 2002, the "Department of Transportation and Related Agencies Appropriations Act, 1996."

I urge the Congress to complete action on the remaining regular FY 1996 appropriations bills and to send them to me in acceptable form. Last year, the Congress had sent me—and I had signed—all 13 appropriations bills by September 30. Regrettably, this is only the fourth bill that I have been able to sign for this fiscal year. The Congress has failed to send to me the bills that fund over 88 percent of the discretionary programs of our Government.

The Act provides \$36.9 billion in new budgetary resources for programs of the Department of Transportation and several smaller agencies. The bill is consistent with my request in most key areas.

I am particularly pleased that the Congress heeded my calls to increase funding for the Federal Aviation Administration's (FAA's) safety programs over what the Congress had originally proposed. The FAA manages the world's largest and safest aviation system. Nevertheless, Secretary Pena and FAA Administrator Hinson are working to make it safer, both for today and the future. The bill's FAA personnel and procurement reforms, which the Vice President's National Performance Review first proposed,

will contribute greatly to that effort. I encourage the Congress to move quickly on the rest of my comprehensive FAA reform package.

The FAA personnel and procurement reforms contained in the Act will contribute greatly to our safety effort. They permit the FAA to improve its hiring, training, compensation, and relocation practices to better meet its unique personnel needs. They also allow for streamlined contracting practices that will speed up the deployment of new technologies into the field. Both new systems will be developed with the participation of the aviation community, including FAA employees and their representatives. They will build upon, not diminish or redefine, FAA's current beneficial management-labor relationship. While we embrace the FAA personnel and procurement reforms in the Act, we will work with the Congress to ensure that personnel reforms enacted pursuant to any FAA reform legislation must be designed and implemented in consultation with FAA unions, consistent with their continuing role as the representatives of these key members of the Federal workforce.

I am also pleased that the Act provides the fast-track reorganization authority for the Department of Transportation, as I requested, because it will improve service while cutting costs to taxpayers. Secretary Pena and I look forward