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Senator Daschle. Mr. President, I would say not only are we willing to support you in your position on vetoing this legislation, but I think it's also fair to say that every Democrat is prepared to go to work the day after you veto that bill to work in a constructive way to find alternatives and to work with Republicans to find some positive conclusion to this whole affair. It's important we learn to govern, that we work with Republicans in doing that. But obviously, they have concluded, as we have, that this veto is the only way that we're going to get it done. And so we look forward to working with you.

The President. Well, we want to work with them, but we've got to stick with our principles, you know. They talk about their principles of balancing the budget and securing Medicare and having some kind of tax cut. And, you know, I accept that. I think we ought to balance the budget, secure Medicare, and I'm not opposed to a tax cut if it's properly targeted and emphasizes childrearing and education for middle class people.

But I believe that the more important principles are the ones that have been rejected by them that we had to stand up for. I mean, here we are on the verge of the 21st century; no major American company would cut education and training and cut technology and cut research, but they do. We can't tolerate that.

Nobody would—with any sense of fairness—would raise taxes on working families with children with incomes of $27,000 a year or less. That will discourage people moving from welfare to work. But that's what they do. Nobody who understands what the world is going to be like 10 years from now would have the kind of cuts and crippling provisions related to the environment that they do.

And of course we've been treated to a real education on Medicare and Medicaid which is the most grievous thing of all. I mean, we have obligations to our parents, to the poor children of this country, to the disabled people, and also to the hospitals and to the doctors and the others that are participating in these programs. It's just not right.

And so we have our principles to stand for, and we'll stand for them. And I'm glad you're going to stand with me. And eventually America will be better for this. If we stand up for America and for the future and for the things we believe in, it's going to be all right.

But as I said in this phone conversation, I'm probably more grateful today for the wisdom of the Founding Fathers than I have ever been in my life. They knew what they were doing, and we're going to use the Constitution they gave us to stand up for what's right.

Senator Daschle. Well, thank you, Mr. President. We appreciate your leadership and look forward to working with you.

The President. Thank you. Thank you, Dick.

Congressman Gephardt. Thank you, Mr. President. There's a lot of people that are glad you're there and glad you've got the veto pen today, believe me.

The President. Well, just be of good cheer. Just go out there and debate these things and tell them what we believe in, and it will all work out. We'll make it work out for America.

Congressman Gephardt. Great.

Senator Daschle. Thank you.

The President. Thanks.

NOTE: The President spoke at 4:23 p.m. from the Oval Office in the White House. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

October 28, 1995

Good morning. I want to talk to you today about what's at stake for the American people in the great budget debate now taking place in Washington. But first, I've got some good news to report.

Our country is on the move. Our economy is the strongest in the world, and it's growing. Yesterday, the official report on the economy for the last 3 months showed continued strong economic growth with very low inflation. And this week we also learned that we've cut the budget deficit nearly in half since I became President. It has dropped for 3 years in a row for the first time since President Truman was in office. The American

people should be proud of their accomplishment.

Now it's time to finish the job and balance the budget, so that we don't pass a mountain of debt on to our children and we free up more funds to be invested in our economy. But we need to do it in a way that reflects our core values: opportunity for all Americans to make the most of their own lives; responsibility—we all must do our part, no more something for nothing; and third, recognizing our community, our common obligations to preserve and strengthen our families, to do our duty to our parents, to fulfill our obligation to give our children the best future possible with good schools and good health care and safe streets and a clean environment; and finally, a determination to keep our Nation the strongest in the world.

I have proposed a balanced budget that secures Medicare into the future, that increases our investment in education and technology, that protects the environment, that keeps our country the strongest in the world. Because working people do deserve a tax break, it includes a tax cut targeted at education and childrearing. My balanced budget reflects our national values.

It's also in our national interest. We now have 3 years of evidence that our economic strategy works. Reduce the deficit, sell more American products around the world, invest in education and technology—it gives you more jobs, more new businesses, more homeowners, a stronger future for all Americans. But this week the Republican Congress voted to enact an extreme budget that violates our values and I believe is bad for our long-term interest.

All Americans believe in honoring our parents and keeping our pledge that they'll live out their last years in dignity. But the Republican budget cuts $450 billion out of the health care system, doubles premiums for senior citizens. And the House budget actually repeals the rule called spousal impoverishment. What this means is they would let a State say to an elderly couple that if the husband or the wife has to go into a nursing home, the other has to sell the house, the car, and clean out the bank account before there can be any help from the Government. They say, "We'll then help you, and how you get along afterward is your own problem."

The Republicans say they support Medicare. They say they just want to reform it. But just this week we learned that the Senate majority leader is bragging that he opposed Medicare from the beginning, and the Speaker of the House admitted that his goal is to have Medicare, quote, "wither on the vine." When they say those things, it's clear that the Republicans come not to praise Medicare but to bury it.

All Americans believe we have a fundamental duty to provide opportunity for our young people and to protect the world that God gave us. But the Republican budget singles out education and the environment for deep and devastating cuts.

And it's a basic American value to honor hard work. But the congressional Republicans impose billions of dollars in new taxes and fees directly on working people. On average, families who earn less than $30,000 a year get a tax hike, not a tax cut, under their plan. Let me put it another way. They want to increase taxes on working families with children living on $20,000 a year or less and give people in my income group a tax cut. That is wrong. A country where Medicare withers on the vine, where our children are denied educational opportunity, where pollution worsens, where working people get a tax increase: That's not the kind of America I want for the 21st century.

I want a nation that promotes opportunity and demands responsibility; that preserves families, increases work; that recognizes the duty we owe to each other; and that still is the strongest country in the world.

The more the American people see of this budget the less they like it. That's why the Republicans in Congress have resorted to extraordinary blackmail tactics to try to ram their program through. They have said they won't pass a bill letting the Government pay its bills unless I accept their extreme and misguided budget priorities.

Well, for more than two centuries, through war and depression, the United States has always paid its bills, always honored its obligations. For all their loose talk, the congressional leaders know that a default would have a severe impact on our country. By making

it more expensive for the Government to raise money, it would expand the deficit, unsettle financial markets, and increase interest rates. Higher interest rates mean higher mortgage rates for homeowners, especially the 10 million of them whose mortgages are tied to Federal interest rates. Higher interest rates means higher credit card rates for consumers and bigger borrowing costs for businesses.

Now, I'm not about to give in to that kind of blackmail. So Congress should simply stop playing political games with the full faith and credit of the United States of America. They should send me the debt limit bill to sign, as every Congress has done when necessary throughout American history.

Just yesterday the Secretary of the Treasury once again asked Congress to remove the debt limit from the budget bill or, at the very least, to extend it through mid-January. That way we can resolve this budget impasse without hurting our economy. Even this offer was brushed aside.

I will not let anyone hold health care, education, or the environment hostage. If they send me a budget bill that says simply, ''Take our cuts or we'll let the country go into default,'' I will still veto it. And hear this: Before or after a veto, I am not prepared to discuss the destruction of Medicare and Medicaid, the gutting of our commitment to education, the ravaging of our environment, or raising taxes on working people.

So I say to the Republican leaders: Back off your cuts in these vital areas. Until you do, there's nothing for us to talk about. You say your principles are a balanced budget, a tax cut, extending the life of the Medicare Trust Fund. I want all those things. They're my principles, too. But there are other important principles, the ones that I have outlined. They are morally right for America, and they're good for our economy.

This is a time of genuine promise for our country. We're on the move. Our economy is the envy of the world. No nation on Earth is better positioned for the new century than America because of the diversity of our economy and our citizens, because of our commitment to excellence, because of our technological advantages. The 21st century will be ours if we make the right choices and do the right thing for the American people.

Thanks for listening.

NOTE: The address was recorded at 5:25 p.m. on October 27 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on October 28.

Statement on the Court Decision on Timber Sales

October 28, 1995

I am deeply disappointed in the court's decision to force the Forest Service and the Bureau of Land Management to release these sales of healthy ancient timber.

My administration's agreement with the Congress on this issue was significantly different from the interpretation upheld this week by the courts. We agreed that the administration would not have to violate our standards and guidelines for our forest plan, and for forest management in general, but only speed up sales that met those standards. We do not believe that this extreme expansion of ancient timber sales was authorized by the 1995 rescission act. My administration will actively pursue a legislative remedy to correct this extreme result.

At this time, however, there is no choice but to comply with the court's decision. The decision forces the release of timber that may lead to grave environmental injury to chinook salmon and other wildlife and damage our rivers and streams. This could jeopardize the livelihoods of thousands of people who depend on the Pacific Northwest's vibrant commercial and sport fisheries.

I have directed the Secretaries of Agriculture and the Interior to work with the companies awarded contracts to seek changes to mitigate any harm to salmon and other species and water quality.

In signing the rescission legislation and in subsequent directives to my Cabinet, I pledged to uphold existing environmental laws and standards. I will continue to fight for those laws and standards.