

you have breached the contract you signed with them a few days ago.

The President. Well, I disagree with that. You know, if you look at—we thought there would be new budget estimates coming out of the Congressional Budget Office by now, but they haven't been. That's fine, and I haven't attacked them for not doing it, even though they said they would. And I don't think that's very constructive.

Our budget—let me point out two things. All this is is a—the balanced budget plan is a plan over 7 years. No one can know what will happen between now and then, but we do know what's happened for the last 3 years. For the last 3 years, both the Congressional Budget Office and the Office of Management and Budget have un-

derestimated the deficit reduction as a result of the 1993 economic plan, although we have been closer to accurate than the CBO.

We know that our plan was submitted based on basically splitting the difference of all the experts in America who predict what the economy will do. And therefore, it is mainstream, and it's good, and it's a good place to start discussions. And I think that's the attitude they ought to take. And if they have a—I've made a proposal; now I'd like to see what theirs is.

Thank you.

NOTE: The President spoke at 6:05 p.m. in the Indian Treaty Room at the Old Executive Office Building.

Letter to Congressional Leaders on Proposed Legislation To Protect Retirement Plan Savings

December 7, 1995

Dear _____:

Since the beginning of this Administration, we have worked together to protect the retirement savings of hard-working Americans. Last year, Congress passed legislation proposed by the Administration that secured the retirement promises made to over 40 million workers in traditional pension plans.

Now we must all act to ensure that the savings of the 22 million American workers who put their hard-earned money into 401(k) plans are safe. We need to make certain the government has the tools to assure American workers they can put their savings—and their trust—into a system that will be there when they need it most.

I urge you to swiftly approve legislation we sent to Congress in July that would give both private auditors and the government new strength and more effective tools with which to enforce the law and prevent abuse of employee retirement savings by unscrupulous employers.

My Administration has consistently urged Americans to save for their retirement—a message echoed by financial planners, consumer groups and virtually everyone who has considered this issue. But Americans need to know

their savings are safe if they are to follow this sound advice.

While the vast majority of employers fully respect and protect their employees' savings, some employers are abusing that trust. Last week, the Department of Labor, which protects private pensions, urged consumers to watch for warning signs to protect their 401(k) investments. The Department of Labor's Pension and Welfare Benefits Administration has begun a nationwide enforcement initiative that has already uncovered the misuse of millions of dollars of contributions by workers. Over \$3.5 million has already been returned to workers; 310 investigations remain open, and more cases are coming.

On July 6, Secretary of Labor Reich transmitted to Congress the "ERISA Enforcement Improvement Act." Our legislation would help in early identification of potential abuses, strengthen pension plan auditing and subject abusers to new penalties. Since July, we have worked with members of Congress and the financial community to develop a bipartisan consensus to protect our workers.

I am sure you agree with the 22 million Americans who place their faith and trust in 401(k) plans that this is an issue of protection, not partisanship.

I strongly urge you to give this important legislation your immediate attention, and urge that it be enacted before the end of the year. America's workers shouldn't be asked to wait a day longer.

Sincerely,

BILL CLINTON

NOTE: Identical letters were sent to Senators Robert Dole, Thomas Daschle, Paul Simon, Edward M. Kennedy, Nancy Kassebaum, and Representatives Newt Gingrich, Dick Gephardt, Patsy T. Mink, Harris W. Fawell, William F. Goodling, William Clay, and Matthew G. Martinez.

Remarks on the Budget and an Exchange With Reporters December 8, 1995

The President. Good morning. I am delighted to be here with a number of Governors from around our country to talk about the budget debate now in Washington. All these Governors who are here present and all those who are not have to balance the budget, but they're accountable for doing so in a way that increases opportunity for their people and holds the people together, maintains the bonds of community. That's what we're trying to do here.

Yesterday I gave the Congress a budget that balances in 7 years without devastating cuts in Medicare and Medicaid, education and the environment and that does not raise taxes on working families.

There are many differences between the budget that I vetoed, which Congress passed, and the one that I've presented. But perhaps the starkest one of all is the different treatment of Medicaid. The Republican budget would be a disaster for States and for the people who depend upon Medicaid. It would ask the States to do more and more and more for the elderly, for the disabled, for poor children and pregnant women and give them less help to do it. It would force them to make unconscionable and unnecessary choices between senior citizens and disabled people, between people with AIDS and nursing home residents.

The plan would end the guarantee of quality medical care that now exists for 26 million Americans, a guarantee that has been on the books for three decades now. The Republicans are insisting that we repeal the guarantee that no poor child, pregnant mother, poor senior citizen, or disabled person will be denied quality medical care. That would eliminate the guarantee of nursing home care for as many as 300,000 people. All told, if current patterns of

coverage prevail, some 8 million people could be denied health care coverage under Medicaid, nearly half of them children. No one would want to do this in any State, but many States would have no choice under the budget now pending.

So I just want to be clear about this. I very much want to work with the Republican Congress to get a balanced budget. But I will not, I will not, permit the repeal of guaranteed medical coverage for senior citizens, for disabled people, for poor children and pregnant women. That would violate our values. It is not necessary, and therefore, if it continues to be a part of the budget, if necessary, I would veto it again.

We cannot, we must not, do this. This would do more harm to more people and do more to undermine the stability of State governments and the life of the States in our country than any other provision of this budget, in all probability, and we just cannot do it. So I want to make that clear.

On the other hand, let me say again, I am reaching out the hand of cooperation to Congress. I did yesterday. I do so again today. But there are some things that we cannot and should not change and back away from. That resolution that was passed that permitted the Government to go forward said that we would protect Medicare, Medicaid, education, and the environment. That's what it said. I've done my part. I've offered a 7-year budget. We cannot destroy Medicaid.

Federal Reserve Board Chairman

Q. Mr. President, are you going to reappoint Alan Greenspan, as the New York Times says?

The President. Did they say that? [Laughter] To be honest with you, that's very premature.