

Statement on Signing the Contract With America Advancement Act of 1996

March 29, 1996

Today I have signed into law H.R. 3136, a bill providing for an increase in the public debt limit, an increase of the Social Security earnings limit, and increased flexibility for small businesses to comply with regulations.

I applaud yesterday's bipartisan congressional vote to maintain the Nation's creditworthiness and financial integrity. With the signing of this bill, millions of Americans will, once again, be secure that this great Nation will stand behind its obligations to pay not only beneficiaries of Federal programs but bondholders as well.

Over 8 months ago, Secretary of the Treasury Rubin wrote to the leaders of the Congress, urging them to pass an increase in the debt limit sufficient to extend through the current political season. Secretary Rubin pointed out that attempting to use the prospect of a Federal Government default to achieve leverage in a budget debate was not in the best interests of the American people. Now that we no longer need to focus our efforts on avoiding a default, we can turn our full attention to continuing to bring down the budget deficit as we have successfully done for the last 3 years.

When I took office, the deficit was \$290 billion—and rising. By the end of fiscal 1995, the deficit was \$164 billion. As a share of the economy, we have cut the deficit by more than half. And just yesterday, the Congressional Budget Office announced its estimate that the deficit for the current fiscal year will fall to \$140 billion—thus cutting the deficit that I inherited in half and fulfilling my commitment to do so in my first term.

We should now continue this progress—and limit future increases in the public debt—by reaching an agreement to balance the budget by 2002. Over the last several months, I have worked closely with congressional leaders to reach agreement on balancing the budget. In fact, we have about \$700 billion in common savings, enough to balance the budget and provide a modest, targeted tax cut. Let me reit-

erate: I am committed to reaching an agreement with the Congress to balance the budget—and to reaching that agreement this year.

I also am pleased that this legislation increases the Social Security earnings limit. Currently, retired workers ages 65 through 69 who earn wages above a certain amount have their Social Security benefits reduced by \$1 for every \$3 in earnings. Over 900,000 Social Security beneficiaries lose some or all of their benefits. This reduction in benefits discourages work by senior citizens who are able and willing to do so. Raising the earnings test will increase the standard of living of the elderly and help the Nation's economy.

This legislation also responds to the legitimate concerns of small businesses regarding regulatory burdens. The bill includes several recommendations of the White House Conference on Small Business that I have supported. In addition, it codifies a number of my reinvention initiatives that will help small businesses comply with Federal regulations and, just as important, enable them to become meaningful partners in the regulatory process.

Finally, this legislation increases congressional accountability for regulations, providing expedited procedures for the Congress to review those regulations. I have long supported this concept, and my Administration endorsed the Senate's efforts of last year in this regard. I am, however, concerned about changes that the House made to this bill, which will unduly complicate and extend this congressional review process. We will work with the Congress to resolve these concerns.

WILLIAM J. CLINTON

The White House,
March 29, 1996.

NOTE: H.R. 3136, approved March 29, was assigned Public Law No. 104-121.