HOUSE OF REPRESENTATIVES,
Washington, DC, February 10, 1994.

Hon. THOMAS S. FOLEY,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that I have been served with a subpoena issued by the United States District Court for the Western District of Wisconsin.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,
F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

¶12.18 COMMUNICATION FROM THE PRESIDENT—ECONOMIC REPORT

The SPEAKER pro tempore, Mrs. CLAYTON, laid before the House a communication from the President, which was read as follows:

To the Speaker of the House of Representatives and the President of the Senate:

America has always thrived on change. We have used the opportunities it creates to renew ourselves and build our prosperity. But for too long and in too many ways, our Nation has been drifting.

For the last 30 years, family life in America has been breaking down. For the last 20 years, the real compensation of working Americans has grown at a disappointing rate. For 12 years a policy of trickle-down economics built a false prosperity on a mountain of Federal debt. As a result of our national drift, far too many American families, even those with two working parents, no longer dream the American dream of a better life for their children.

In 1992, the American people demanded change. A year ago, I sought your support for a comprehensive short-term and long-term strategy to restore the promise of our country's economic future. You responded, and together we replaced drift and gridlock with renewal and reform. Together we have taken the first necessary steps to restore growth in the living standards of all Americans. We have created a sound macroeconomic environment and strengthened the foundations of future economic growth. As a result of our efforts, the economy is now on a path of rising output, increasing employment, and falling deficits.

ESTABLISHING THE FISCAL CONDITIONS FOR SUSTAINED GROWTH

For more than a decade, the Federal Government has been living well beyond its means—spending much more than it has taken in, and borrowing the difference. The resulting deficits have been huge, both in sheer magnitude and as a percentage of the Nation's output. Since 1981 the Federal debt has been growing faster than the economy, reversing the trend of the previous three decades. As a consequence of this binge of deficit financing, Federal budget deficits have been gobbling up an inordinate share of the Nation's savings, driving up real long-term interests rates, discouraging private investment, and impeding long-run private sector growth.

On August 10, 1993, I signed the historic budget plan that you passed several days earlier. It will reduce Federal deficits by more than $500 billion. The plan is a balanced package of cuts in spending and increases in revenues. The spending cuts are specific, far-reaching, and genuine. They will reduce discretionary spending by over 12 percent in real terms in 5 years. The plan increases income tax rates for only the top 1.2 percent of taxpayers, the group of Americans who gained the most during the 1980s and are most able to pay higher taxes to help reduce the deficit. At the same time, a broad expansion of the earned income tax credit will help make work pay for up to 15 million American families. Nine out of ten small businesses will benefit from more-generous tax breaks that will help them invest and grow. And new, targeted capital gains tax relief will encourage investment in new small businesses.

Our deficit reduction plan has been the principal factor in the dramatic decline in long-term interest rates since my election in November 1992. Lower interest rates, in turn, have sparked an investment-driven economic expansion that has created more private sector jobs during the last year than were created during the previous four. The fact that investment is leading the recovery is good news for living standards, because investment is the key to productivity growth and hence to growth in real incomes for all Americans.

INVESTING IN OUR NATION'S FUTURE

Laying the macroeconomic groundwork for sustained growth is the government's first responsibility, but not its only responsibility. Government also has a vital role to play in providing some of the critical raw materials for economic growth: science and technology, an educated and well-trained work force, and public infrastructure. For much too long we have underinvested in these areas, in comparison both with our global competitors and with our own economic history. Our overall budget deficit has masked another, equally disturbing deficit—a deficit in the kinds of public investments that lay the foundations for private sector prosperity.

Like private investments, well-chosen public investments raise future living standards. As a consequence, deficit reduction at the expense of public investment has been and will continue to be self-defeating. That is why our budget package increases much-needed public investment even as it takes steps to reduce the budget deficit. One without the other will not work.

With the help of the Congress, our public investment initiatives in the areas of technology, infrastructure, the environment, and education and training received about 70 percent of the funding we requested in fiscal year 1994. We increased funding for such proven successes as Head Start and the WIC program in the human resources area, and the Advanced Technology Program of the National Institute of Standards and Technology in the area of technological research. We also launched a number of new initiatives, including the National Service program, a new program of empowerment zones and enterprise communities for urban and rural development, and several new technology programs, including the Technology Reinvestment Project, designed to help defense contractors retool to serve civilian markets. We increased funding for research into new environmental technologies. In addition, we developed a comprehensive, cost-effective Climate Change Action Plan, comprising nearly 50 initiatives to reduce U.S. greenhouse gas emissions to 1990 levels by the year 2000.

As these examples bear witness, we have made significant progress on our investment agenda, but much more remains to be done. We will have to work together to find room to fund essential new investments even as we reduce real government outlays to meet tight annual caps on discretionary spending. This will not be easy. But it is essential, for we face a dual challenge—we must fundamentally change the composition of discretionary spending even as we reduce it in real terms.

This year my Administration is requesting funding for several new investment initiatives. Our Goals 2000 proposal will encourage local innovation in and accelerate the pace of school reform. It will link world-class academic and occupational standards to grassroots education reforms all across America. Our School-to-Work initiative will provide opportunities for post-secondary training for those not going on to college. Our reemployment and training program will streamline today's patchwork of training programs and make them a source of new skills for people who lose their jobs. Finally, our proposed welfare reform will provide the support, job training, and child care necessary to move people off welfare after 2 years. That is the only way we will make welfare what it ought to be: a second chance, not a way of life.

REFORMING OUR HEALTH CARE SYSTEM

This year we will also make history by reforming the Nation's health care system. We face a health care crisis that demands a solution, both for the health of our citizens and for the health of our economy over the long run. The United States today spends more on health care relative to the size of its economy than any other advanced industrial country. Yet we insure a smaller fraction of our population, and we rank poorly on important overall health indicators such as life expectancy and infant mortality. Over 15 percent of Americans—nearly 39 million people—were uninsured throughout 1992. And tens of millions more have inadequate insurance or risk becoming uninsured should they lose their jobs. Meanwhile health care costs continue to climb, increasing premiums and medical bills for American families and aggravating budget crises at all levels of government. Both the Office of Management and Budget and the Congressional Budget Office have concluded that unless the system is reformed, rising health care costs will begin pushing the Federal budget deficit back upward as this century comes to a close.

Piecemeal approaches to solving our health care crisis will not work. If we simply squeeze harder on Federal health spending, without attempting systemwide reform, more of the costs of covering health services guaranteed by the government will be shifted to the private sector, and medical care for the elderly, the disadvantaged, and the disabled will be put at risk. Similarly, if we attempt to provide universal coverage without complementary measures to improve competition and sharpen incentives for cost-conscious decisions, costs will continue to escalate.

Our health care reform proposal, while bold and comprehensive, builds on the strengths of our current, market-based system. Our approach preserves consumer choice and our largely employer-based private insurance arrangements. It relies on market competition and private incentives, not price controls and bureaucracy, to provide health security for all Americans, to rein in health care costs, and to solve our long-run budget deficit problem.

OPENING FOREIGN MARKETS

Raising the living standards of all Americans is the fundamental economic goal of my Administration. That is why all of our initiatives in international trade share a common purpose: to open markets and promote American exports. This emphasis on exports is driven by two simple facts. First, America is part of an increasingly integrated world economy and must adapt to this new reality if we are to stay on top. There is simply no way to close our borders and return to the insular days of the 1950s. To try to do so would be an exercise in futility, doomed not only to fail but to lower living standards in the process. Second, export industries offer the kind of high-wage, high-skill jobs the country needs. By shifting production toward more exports, we will shift the composition of employment toward better jobs. In short, to realize our goal of higher living standards for all Americans, we must compete, not retreat.

The year just past will go down in the history books as a watershed for trade liberalization. With your help, we enacted the North American Free Trade Agreement, which links the United States, Canada, and Mexico together in the world's largest marketplace. We also successfully completed the Uruguay Round of the General Agreement on Tariffs and Trade, which promises to add as much as $100 billion to $200 billion to the Nation's output by the end of a decade. And we are now on a course of increasing trade and investment liberalization with the rapidly growing economies of East Asia and the Pacific, which will be a major source of new export opportunities for American products in the coming years. At home we have eliminated much of our export control system and have rationalized our export promotion activities to help our producers, workers, and farmers increase their sales around the world.

IMPROVING THE EFFICIENCY OF GOVERNMENT

My Administration is committed to improving the Federal government's efficiency across the board. The National Performance Review (NPR), completed under the bold leadership of Vice President Gore, provides a road map for what must be done. The NPR's report shows how substantial budgetary savings can be realized by making existing programs more efficient and cutting those that are no longer necessary. As a result of our efforts to reinvent how the government performs, we will reduce the Federal bureaucracy by 252,000 positions, bringing it down to the lowest level in decades.

My Administration is also committed to reducing the burden of government regulations by improving the regulatory review process. My Executive Order on Regulatory Planning and Review requires that all new regulations carefully balance costs and benefits, that only those regulations whose benefits exceed their costs be adopted, and that in each case the most cost-effective regulations be chosen.

This year we will also work with the Congress to develop the new regulatory framework required to encourage the development of the national information superhighway. We must cooperate with the private sector to connect every classroom, every library, and every hospital in America to this highway by the year 2000. Rapid access to the most advanced information available will increase productivity and living standards, help to educate our children, and help health providers improve medical care for our citizens.

THE ECONOMIC OUTLOOK

An economic strategy built on long-run investments will not bear fruit overnight. But there are already signs that our policy initiatives are beginning to pay off. Prospects for sustained economic expansion look far brighter now than they did a year ago, when my Administration first asked for your support. Growth of real gross domestic product increased steadily over the course of 1993, and the economic expansion has continued into 1994. Consumer spending should remain healthy because of continued gains in employment and output, and investment spending should remain strong because of low long-term interest rates and increasing levels of demand. Low interest rates will also continue to support the recent expansion in residential construction. The Administration forecasts that the economy will grow at 3 percent in 1994 and will remain on track to create 8 million jobs over 4 years.

As 1994 begins, our economy is strong and growing stronger. With continued deficit reduction, more public investment, a reformed health care system, increased exports, and a reinvented government, we can create the foundations for an even more prosperous America.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 14, 1994.*

By unanimous consent, the communication was referred to the Joint Economic Committee and ordered printed (H. Doc. 103-178).

¶12.19 ENROLLED BILLS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker.

H.R. 2339. An Act to revise and extend the programs of the Technology-Related Assistance for Individuals with Disabilities Act of 1988, and for other purposes.

¶12.20 LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BLACKWELL, for today before 2:30 p.m.

And then,

¶12.21 ADJOURNMENT

On motion of Mr. JEFFERSON, pursuant to the special order heretofore agreed to, at 7 o'clock and 21 minutes p.m., the House adjourned until 10 o'clock a.m., Thursday, February 24, 1994.

¶12.22 REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calender, as follows:

Mr. BEILENSON: Committee on Rules. House Resolution 366. Resolution providing for consideration of the bill (H.R. 6) to extend for 6 years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes (Rept. No. 103–426). Referred to the House Calendar.

¶12.23 PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAUZIN (for himself, Mr. FIELDS of Texas, Mr. HAYES, Mr. TAYLOR of North Carolina, Mr. STENHOLM, Mr. YOUNG of Alaska, Mr. MONTGOMERY, Mr. STUPAK, Mr. SHUSTER, Mr. STUMP, Mr. POMBO, Mr. BREWSTER, Mr. CALLAHAN, Mr. HUTTO, Mr. ORTIZ, Mr. LAUGHLIN, Mrs. BENTLEY, Mr. BONILLA, Mr. CUNNINGHAM, Ms. DANNER, Mr. PICKETT, and Mr. PACKARD):