

Remarks at a Democratic National Committee Breakfast October 8, 1993

Thank you. Thank you very much for that wonderful welcome. This is the first time we've all been together since the day after the Inauguration at the White House. What a happy day that was. But this is a happy day, too. And in some ways a more meaningful one because, thanks to you and with your help, we have begun to fulfill the promise of the long campaign of 1992 and the commitment of our party to change America for the better.

I want to say a special word of thanks to my longtime friend David Wilhelm for all the work that he has done, even if he didn't have a top 10 list for me. After Al Gore went on David Letterman I had a top 10 list for him. I said, "The top 10 reasons I'm glad Al Gore is Vice President: No. 10 is that he has educated me in enormous detail on matters of great importance and matters entirely trivial." [Laughter] "And reasons nine through one are that he has a vote in the United States Senate." I told the Vice President that without blinking an eye, and he looked at me and he said, "Yeah, and every time I vote I'm on the winning side." [Laughter]

I want to—just think about that for a while—I want to thank Lottie Shackelford who has been my friend, as all of you know, for many years; your Vice Chair, Jim Brady, who when I was running for President was head of the State Chair's Association; my neighbor and friend, Kathy Vick, also from Louisiana. There is probably some monopoly rule they're violating, but they voted right in 1992. I want to thank my friend Roy Furman for agreeing to become the national finance chair of this party. He is doing a wonderful job, and he is wearing me out, which I guess is the test of a good job. Congressman Bob Matsui, our treasurer, is not here today, but I do want to mention him because he's been such a good friend to me and is such a good man.

And I also want to thank my good friend, Congressman Bill Richardson, who helped me to carry New Mexico and organized Hispanic voters all across America and now is one of the great leaders in the United States House. And I want to say this, people always talk about all these tough fights we're in, well, I didn't get hired to do easy things. And so if you do

hard things, they're going to be tough. But the National Journal, or one of these Washington periodicals, did a survey a couple of weeks ago which said that so far our first year success rate in Congress was second in the last 40 years only to the first year of Dwight Eisenhower's Presidency, and we've got a chance to top it if we can pass the crime bill and campaign reform before the end of the year, thanks to Bill Richardson and others like him. And I thank him.

I thank Martha Love and I thank Debra DeLee, Bob Reich's favorite DNC officer. That was really funny what she said. You know, if you stay in this job long enough you get to appreciate every little bit of humor you can squeeze out of the day.

Yesterday we had a group of people in who won arts and humanities award, and I told them a story that they thought was apocryphal, but it was actually true. After I was sort of humbled anyway last week by first of all having Al Gore go on at David Letterman and become sort of, you know, a slick magazine model again. And then Hillary became, you know, justifiably the rage of the country with her wonderful performance on health care before all those committees. Then USA Today had the bad taste to do a poll and ask people whether they thought she was smarter than me, and 40 percent said yes. [Laughter] And of course, they were right, which is what made it really hurt.

So I went to California, as I always do when I need a real boost, because California has been so wonderful to me, and they've got so many problems now, and they're struggling so bravely to overcome them, and we're working very hard to help them. And so I thought, this is going to be great. So I get there, I went to Sacramento and San Francisco and had a wonderful time with the AFL-CIO there, and then I came down to L.A. And I stayed at the Beverly Hilton because we were going to have a couple of events there. And I thought this is an exciting hotel. It's got a little, you know, glamour to it, and Merv Griffin owns it, and I used to watch him on TV when I was a boy. And when I walked into the hotel and there was Merv Griffin to welcome me, and I was beginning

to feel like a President again, you know. [*Laughter*] I was getting over the fact that Gore was on television and Hillary was smarter than me, and I was just about to get over it. And then they took me up to the floor, and I noticed it was a high floor, which made me feel more important. We were going up, and they said, "You know, we put you on this floor because there is one person in California who is a permanent resident of that floor, and we thought this is the floor you ought to be on." So I get off the elevator and standing there to greet me is Rodney Dangerfield who had given me a dozen jungle roses and written "a little respect" on it. "A little respect."

So, let me say to all of you, this has been a remarkable time. If you look at what has been accomplished just in the last few months, we passed the largest deficit-reduction program in history, and long-term interest rates are still below 6 percent. Today's economic report indicates that this economy, even though it has been slower than we thought it would be, has been creating new jobs at a rate of about 152,000 jobs a month, which means that as of last month, there has now been more private sector job creation in the first portion of this year, the first 9 months, than in the previous 4 years.

The budget package also contained a sweeping reform of college loans, which lowered the interest rates for college loans and let people pay them back on easier terms of a percentage of their income, as well as stiffening measures for collection, something that will open the doors of college education to all Americans. There will never be an incentive not to borrow money for college now, because you can get it if you need it at a lower interest rate, and you can pay it back as a percentage of your income no matter how much you borrow. It's a dramatic change.

That budget reconciliation package had the most significant piece of reform in 20 years for lower income working families. Families with incomes of under \$27,000 with children in the home will get tax relief from that bill. And we will now be able to say because of the way the earned-income tax credit was expanded in this bill, that if you work 40 hours a week in America and you have a child in the home, you will no longer be in poverty. It is a dramatic advance to the values that the Democratic Party holds dear: work and family.

We passed the family leave bill, the motor voter bill. We've got a major initiative for reform

in defense conversion. We're about to announce the first winners of our technology reinvestment project, where we put up \$500 million this year, and we'll put up a little more than that next year. We've already gotten 2,800 proposals from people who have ideas to convert defense technologies to domestic uses, to build the economy of the 21st century. We announced last week that we were removing \$37 billion worth of high-tech computer, supercomputer, and telecommunications equipment from cold war trade restrictions, which will create many, many new jobs in our country.

We announced a proposal with the UAW and the auto companies and all the defense labs and all the other research labs of the Federal Government to try to triple the car mileage that our automobiles get by the end of the decade. If we do that we'll have sweeping gains in international markets for American produced automobiles.

We have reversed the environmental policies of the previous 12 years in ways that will be good for the economy, as well as good for the environment. We have appointed unprecedented numbers of women and members of different racial minorities to high positions in the National Government. This administration is in the process of changing this country, and you have made a profound difference.

You know, I've been a Democratic Party activist for a long time now, and I know that one of the things that gets us all into this is that we like elections, and we want to win. And one of the things that burns a lot of us out of it is that we sometimes think it's only about elections. And you can't keep doing elections after so many years unless you really believe there are some consequences to it.

So I wanted to say this to you today, to remind you that there are consequences to all the work you did and to the election that we won. And in addition to that litany I just gave you, maybe I could just tell you one story that would illustrate it better.

A couple of Sundays ago I came in from my morning run. I was on the ground floor at the White House, and I looked over down the hall, and there was a family there taking a tour of the White House, which is quite unusual on Sunday morning. But I noticed one of my staff members there had this family, and I went over to shake hands with them. It was

a father and a mother and three daughters. The middle daughter was in a wheelchair. And my staff member said, "Mr. President, this is one of those Make-A-Wish families, and this little girl is desperately ill. And her wish was to come to the White House, take a tour, and meet the President."

So I went over and shook hands with the little girl and her family, and we talked a while. And I apologized for being in my running clothes. I went upstairs to change, came back down, and—looking more like my job—I then had a proper picture with them. And again, a nice visit with the wonderful child.

And as I was walking off, her father grabbed me by the arm, and I turned around and he said, "You know, my daughter is probably not going to make it. And because of that these last weeks I've spent with her are the most important times of my whole life. And because of that family leave bill I didn't have to lose my job to spend that time. But if you hadn't passed that law and signed it, I literally would have had to choose between losing my job and spending this time, or supporting my family and giving up what was the most important time of my life. Don't you ever think it doesn't make a difference who wins elections and what they do."

As you know, I believe, have believed and preached throughout the campaign of 1992 that most of the problems of America are rooted in our inability to adjust to the sweeping changes of this age. We now know that this is the 20th year—1993—since real hourly wages peaked for wage earners and that for 20 years most Americans have been working harder for less money to pay more for health care, education, housing, the basics of life. We know that that has been true through times when the economy was growing and times when it was in recession.

But there have been profound structural changes at work in this economy which have put enormous pressures on the great American middle class which was built in the 20th century and which exploded at the end of World War II and which helped to keep the American dream, that each generation could do better than their parents if they work hard and played by the rules, alive.

When you put that with the fact that we have also seen great internal changes in the structure of our society, enormous movements

from one place to another—the average in America is about 20 percent of our people move every year or so now, from one place to another, extraordinary mobility—dramatic changes in the family unit, alarming pockets of profound depression where investment is not made, huge increases in the number of children born to one parent only, often to children themselves, a dramatic, breathtaking increase in arbitrary violence among young people, when you put that together with these internationally compelling economic changes, you see that if we just keep on doing what we're doing, we're in for deep trouble. Then if you look outside our borders you see also sweeping changes, many good, some troubling: the end of the cold war; the emergence of new great economic powers—China now growing at 10 to 14 percent per year; the emergence of a whole range of new democracies, and most of them hoping that they can have better relationships with us and trade with us and do business with us; the continuing difficulty of other rich countries, not just the United States, in creating jobs—Europe doing not as well as we are in creating new jobs; Japan now having trouble, even with its closed economy, creating new jobs.

And then we now know at the end of the cold war it certainly didn't mean the end of troubles and misery in the world. We've done our best to support democracy in Russia and to stick by President Yeltsin. Because I believe it's important that we have freedom and democracy in Russia, that we continue to denuclearize the world, and work hard on helping Russia to do what they're trying to do and the other republics of the former Soviet Union.

We see that there is still an enormous amount of chaos. And once the cold war was over and the Communist empire collapsed, it sort of stripped the veneer off long-simmering ethnic and religious hatreds and tensions in Bosnia and Georgia and lots of other places in the world. We know that there are countries in Africa which are not only embroiled in war but which are suffering mass famine, in Somalia where we are trying to conclude our mission and leave those people a fighting chance not to go back to times when hundreds of thousands of children died like flies in the streets. But we know that there are also troubles in other nations there. In Angola there have been as many children have their legs blown off by land mines arbitrarily planted as in any war in history that

we know of.

So this is both a troubled and hopeful world. And the old rules we had for looking at the world beyond our borders were pretty simple. There was a cold war, our policy was to contain communism, our policy was to promote countries within our sphere of influence. We preferred democracy, but as long as they were anti-Communist, we'd normally stick with somebody anyway. And even if they were pro-Communist and democratic, we'd normally shy away from them. The necessity of surviving in a bipolar world gave an organizing principle to what we did and didn't do. To be sure, we had troubles and difficulties, but we knew how to do that. Now we're having to define our purposes in the world and our leadership in the world in terms of more partnership with other nations in promoting democracy and freedom and market opportunities for people that we have here, we want elsewhere. It's not easy there.

But the thing I have tried to say, with all the time that I have spent on foreign policy and military policy and trade policy, that I must say it's an absolutely fascinating time to be President, and a great honor, actually, to be President in this difficult time, to try to construct the framework for the post-cold-war world.

I spend an enormous amount of time on that, but I usually talk about what we're doing in this country because I believe you cannot be strong abroad unless you are strong at home. It is difficult to promote a concept of national security that has nothing to do with the economic strength of our Nation. That is what permits us to pay for not only defense but the other things which make us more secure.

And when we think of all these changes we need to cope with, the first thing I think we have to say, that I've been trying to hammer home and in clear, explicit terms ever since the health care speech, is that there has to be a level of security accorded to Americans if they're going to be able to change. If you think about your own life, those of you who have the privilege of raising children—on most days it's a privilege—you can watch in individual lives how difficult it is for people to change their habits, even when they know they should, if they are insecure personally.

The same is true of a family or a community or a nation. If you spend all your time waiting for the other shoe to drop, expecting something

bad to happen, not expecting something good to happen, feeling that what you now have can be taken away from you by some arbitrary force, it is very difficult to have the space, the mental space and the emotional space, to think about the changes that are bearing in and what initiatives you should take.

And so an enormous part of my job as your President is not only to keep pushing this agenda of change—and getting you to help me do it, as you have so well—but to be able to explain to the American people what it is we have to change and why and then to be able to advocate those things that will give people more personal and family and community and national security so that we can have the courage and the space to change.

And if we don't do that, even our incremental progress will not satisfy people because they will be disoriented. I'm really proud of the fact that we've been creating more than 150,000 jobs a month in a tough time and that there are more new jobs now, since January, than there were in the previous 4 years. And when I say "we" I don't mean the Government. I mean "we" the American people working together, although we have played a role in it in drastically bringing the deficit down and keeping the interest rates down and targeting some investment. I'm proud of the fact that cars are selling at their highest rates since '89, and business investment is expanding at its fastest rate since '84, and all of those things. I'm proud of that.

But unless people understand this in a bigger framework, there will always be places that are behind and places that are ahead. Ten years ago, my part of the country was behind, and we had an unemployment rate 3 points higher than the national average. Today California is behind. They have 3 points higher than the national average, the center of a lot of our high-tech base, 12 percent of our population, 25 percent of our unemployed people. This is a big problem for the rest of us.

So we have to understand these things. How does it all fit together? What kind of changes do we have to make? What kind of security do we have to have? How does the change in the student loan program or passing national service and giving all these kids a chance to earn money for college by rebuilding this country at the grassroots level, or going to Tokyo and working with the Japanese and the Europeans and the Canadians to open markets, how

does that all fit together? What difference will it make if we reform the welfare system early next year? How does this work?

My goal is to make individuals in this country and families in this country secure enough and strong enough to be able to face and make the changes that we must make in order to do what David Wilhelm said I talked to him about so long ago: give every American a chance to live up to his or her God-given capacity.

To do it we simply have to be able to rebuild the great middle class in this country. We can't continue to have a few people doing very well, and the bottom dropping out not just from people who are unemployed but from people who are employed. There are a lot of changes we have to make. We've begun to make some, and some I've talked about.

First of all, we've got to make a lot of economic changes. We have got to face the fact that the basis of our prosperity can no longer be an insular economy, where we don't have foreign competition, and can no longer be at least buoyed by very high levels of defense spending in high-tech because of the end of the cold war.

So what do we have to do? First of all, we have to have an investment strategy. That's why when we changed the Tax Code this year we provided for a new venture capital gains tax, which will give people a 50-percent break if they invest for 5 years, not a year but 5 years, in new businesses or smaller businesses that are growing jobs. We provided more incentives for research and development. We provided more incentives to lift off the depressed real estate market in the country. We had a theory about that, an investment theory, because there will never be enough Government money to get this country going again alone.

Secondly, we need to recognize that there are some places in this country that are profoundly depressed, and we have to do more there. So we passed some empowerment zone legislation to see whether or not with extreme incentives we could revitalize some of the really distressed areas of the country. We have a community development bank bill moving through the Congress which will set up banks that are designed to loan money to people to start self-employed businesses or very small businesses, loan money to people who live in places who ordinarily wouldn't be able to get it. We know from our experience at home, and from the

South Shore Bank in Chicago, that banks can make money loaning to poor folks if they know what they're doing. And they can make money loaning in low income areas if they know what they're doing.

These are structural changes we have to make. We have to change the entire unemployment system. You know, when I was a kid and somebody lost their job, they lost their job for 4 weeks, 5 weeks, 6 weeks, in an economic downturn. They would get hired back at the same job. That's the system that the unemployment system was designed to support, what are so-called cyclical unemployment. So you've got unemployment payments for a period of months and then you got your job back. Today most unemployment is structural. For example, we continue to lose manufacturing jobs when the economy is growing like crazy. Why? Because manufacturing productivity is going up so fast, and because we haven't gotten into enough new manufacturing areas. So we have either one of two things we have to do. We either have to train people that are manufacturing workers to do nonmanufacturing work, or we've got to make a whole lot of different things if we want to keep the employment up, because there will be an almost unlimited trend to be able to produce more with fewer people of whatever particular product you're talking about.

What does that mean? That means that instead of an unemployment system we now need a reemployment system, because people need different jobs because they're not going to get the old job back, by and large. It means that the day somebody goes on unemployment, and even before if they know they're going to go, they should know what jobs will be available within driving distance of their home. They should be able to match their skills for those jobs and where the deficiencies are they should be able to choose a training program that goes right along with that unemployment check. And it should commence immediately, so that you shorten the time in which people are unemployed.

We have to look more to a lot of other problems in our economy. We cannot avoid the responsibility to be responsible stewards of this country and this planet; so we're going to have to become more environmentally sensitive. But we have to do it in a way that creates jobs and doesn't just cost jobs. We can do that, but we have to be very creative. That requires

change. We have to change the way we operate the Government. If we invest too much money in doing things in the same old way in the Government, then we don't have the money left to invest in education and training and the future. That's why the Vice President's report on reinventing Government is so important.

And Democrats have to prove they can do that. You know, if we don't hate Government, we ought to have the courage to change it. If we think Government has a critical role as partners for the private sector as we move toward the 21st century, then we have to have the courage to change it. That's really important. We can do more with less in a whole range of areas. And that's very, very important.

So all these changes need to be made. I cannot tell you how important I think it is for us to continue to push on defense conversion and invest massive amounts of money in the civilian technology possibilities of the future. We have been cutting defense since 1987, but we did not seriously begin to invest in defense conversion until 1993. The Congress last year passed a \$500 million bill for defense conversion, as Congressman Richardson will tell you, and there was an ideological opposition in the previous administration to spending the money. So all the people, the scientists, the engineers, the technology workers, who had lost their jobs had to wait another year just to get these programs started.

We have got to do better on that. We have all these defense labs. We have all this research. We have all these resources. I was at McClellan Air Force Base, and at McClellan Air Force Base in California they have worked with private sector people there to produce an electric car that gets 80 miles to the gallon at 55 miles an hour. It operates alternatively on electricity and gasoline and can go from zero to 60 in 12 seconds and has a maximum speed of 100 miles an hour. If we can just figure out how to produce it at an affordable price, we'll be in great shape.

But that's the way these things are done. So I could keep you here until tomorrow morning at this time talking about the changes we need to make. But let's first talk about what the security is. What's the deal we have to make with the American working people in order to make these changes, to get them to the point where they will have to make the changes? You think about everything I just said requires the concu-

rence of millions and tens of millions of people. You change a country—now, you can't just pass a law and change it. You can't just write a bill and change it. You have to change the behavior of the whole country. People have to change their lives.

So, we can't do that unless people feel a high level of security. I think that's self-evident. The first kind of security people need is to know that in an America where the economy is tough and where most people have to work for a living, you can work and still be a good parent. That's what the earned-income tax credit was all about, to give working people with kids a break. That's what the Family and Medical Leave Act was all about. We've still got work to do to make adequate childcare supports available to people around the country. We have got to say that there has got to be a way where every American can be a good mother, a good father, and a good worker. That's the first thing.

The second thing we have to do, I would argue to you, is to give people basic security. I mean more freedom from fear. When I did my town meeting in California, there was a fine looking young Korean man who told me about how his brother had been shot and killed, an arbitrary shooting. And he asked me about it, told me the circumstances. Then there was a fine young junior high school student, a young African-American man. He told me that he and his brother just wanted to go to school. They said, "We don't want to be in a gang. We don't want a knife. We don't want a gun. We want to study. That's what we want to do, and we changed schools because we didn't think our old school was safe. So we showed up at our new school on the first day and were standing in line to register, and my brother gets shot, standing in front of me, because he's in a cross-fire."

And this is not just California and New York and big cities, folks. This is my State and yours. Now, look, I live in a State where half the people have got a hunting or fishing license or both and where we have to close down whole towns on the opening day of deer season because nobody shows up at school, nobody shows up at the factory. But I think that even in my State people think it's nuts that there are places in this country where teenagers are better armed than police and people are scared to walk down the street to go to school. And so we just have to decide, you know, are we going

to let all this rhetoric—you know, this country we get all—there's a lot of great things about America, but we're bad to say one thing and do another. We're pretty bad about that.

We all deplore violence, and we say punish people who do it. We are punishing people who do it. Our jails are full. We have a higher percentage of people behind bars than any country in the world today. But we won't pass the Brady bill. Now, let me say why that matters. That sounds like sort of a tepid bill now, given what else is being called for. But let me tell you why that matters.

In New York City last year, they confiscated something like 19,000 guns, whatever the figure is; 85 percent of them were from other States. So a State waiting period doesn't amount to a hill of beans when you've got the constitutional right to travel. We've got to know, how old are these people buying these guns? Who are they? Do they have a criminal record? Do they have a mental health history? It's a big deal.

The States can do something. Seventeen States have said kids can't own handguns unless they're out with their parents on a hunting trip or a target practice. A lot of States have tried to set up laws licensing gun dealers, but the Federal law will give you a license for 10 bucks, and the States can't overturn it yet.

You've got hundreds of gun dealers out there, and there's no system about it. And maybe the most important thing of all is, you've got a lot of these people, most of them very young, a lot of them with drug problems, nearly all of them with no real connection to the rest of society, who have easy access to rapid-fire assault weapons, the sole purpose of which is to kill people quicker, in greater numbers. And we have lots of bills in Congress to do something about it, and we ought to do something about it. We ought to pass one of them and do something about it and take a stand.

We have a crime bill which would put 50,000 more police officers on the street. It matters how many police officers are on the street, and I say to you, not so much for catching criminals quickly, although that is a big deal, but for preventing crime.

I'll just give you—first of all, look at New York, one of the few big cities in the country where for 2 years running, there's been a decline in the crime rate in all seven major FBI categories because they went to a community policing system. Look at Houston, where the

mayor there, Bob Lanier, got elected on a commitment to put the equivalent of 655 more police officers on the street and to concentrate them in areas of high crime, and they had a 17 percent drop in the crime rate the first year they did it. You can do this. And we ought to be about the business of helping our places become more safe. This is a huge deal. And the Democratic Party ought to do it. If we were the party of Social Security, why can't we be the party of health security and personal security and freedom from fear?

And finally let me say about the health care issue, I feel very strongly that this issue will define us not only as a party but as a people. Every day—and I don't mind a lot of this—but every day I read something about somebody saying why can't we do this, that, or the other thing? Again, we have to look at what we are doing. What we are doing, we are spending 14½ percent of our income on health care. It'll be about \$900 billion this year. Canada spends a dime, or 10 percent of its income on health care, 10 percent of every dollar. Germany and Japan spend about 8.8 percent of every dollar. Nearly all of our major competitors are below that.

Now, there are some things that make the American health care system more costly that we wouldn't want to do anything about, and some things that we can't do anything about right now, at least in health care reform. What we don't want to do anything about is we have wonderful medical research and technology. We invest more in research, and we use more technology. And we don't want to change that.

What we can't do much about right now in the health care bill is that we have a higher percentage of poor people, a higher percentage of people with AIDS, a higher percentage of teenage births and low birth weight babies, and a much higher percentage of violence than any of our competitors. And that's all a health care issue. You pay for it when those folks show up every weekend all shot up and cut, and they don't have any health insurance. They pass it on to you. So, you pay for that. That's another big cost of violence. But that makes our system more expensive.

But then there's a whole lot of things that we can do something about, that it's unconscionable that we don't. I mean, we spend more than anybody else, and yet, we're the only major country that can't figure out how to give every-

body basic health care, 37.4 million people, according to the last census, without health insurance. Two million people a month lose their health insurance, 100,000 of them lose it permanently. We are adding 100,000 people a month to the rolls of people without health insurance. It is hemorrhaging the system we have.

We know we spend a dime on the dollar more on paperwork and mindless administration than any other nation. We know that from studies. We know we hired 4 times as many clerical workers to work in hospitals as medical personnel in the last decade. We know that the average doctor, in 1980, brought home 75 percent of the money that came into his or her clinic. And by 1990, it had dropped to 52 cents because of the explosion of bureaucracy and paperwork.

We know we have more fraud and abuse in this system, and a system that actually encourages the performance of unnecessary procedure, and a system so complicated, it's easier to game and to milk. We know that. We know that we don't cover primary and preventive care like we ought to. We don't cover mammograms and x-rays and cholesterol tests and prenatal care and well-baby visits, and so we spend more money in the long run because we won't spend a little money now to keep people well. We spend lots of money to take care of them once they get sick.

These are things we know. This is not some idle theory. We know that a country like Germany, for example, relies more on medicine than we do, because we cover medicine for Medicaid patients, but if you're a senior citizen on Medicare—just a little bit too much income to be on Medicaid, you can't get any help with your medicine. And we know it costs a lot of money to cover medicine in a health care bill, as we propose to do. But we also know there's a whole lot of people, especially older people, who choose every week between food and medicine. And if they choose food and not medicine, eventually they get sick and wind up in the hospital. And they can spend more in a hospital in one week than they'll spend in a year on medicine. So, these are things we know. These are not sort of idle speculations.

So, when people say to me, "Well, you know, this is a big risk, this might be expensive." I say, "It's not going to be as expensive as what will happen." We're now spending 14½ percent of our income on health care. If we do nothing, if we stay with this system, by the end of the

decade we'll probably have 40 million or more uninsured, and we'll be spending 19 or 20 percent of our money on health care. You'll have doctor and hospital fees going through the roof, and miserable doctors and hospital administrators because more and more of the money they're charging you will go to pay for clerical work to hassle people to pay on insurance policies.

The time has come to put aside all the rhetoric and the reservations and realize we can't make this system any more complicated than it is. We'd have to work from now to kingdom come to make it any more expensive than it is on wasted things. And we can no longer afford the sheer insecurity that is gripping millions of Americans, not just those without health care but those who can never change their jobs because they've had somebody in their family get sick, those who are waiting for their business to fail, and they know they'll never get health care again, those who are just wrenching with the moral dilemmas of whether they need to cut their employees off health care because they can no longer afford it. I talked to a small business man in California this week, 12 employees, didn't have a single claim on his health insurance last year except for regular trips to the doctor. His premiums went up 40 percent. He said, "What am I going to do? I've got to choose between staying in business and doing right by these people who made me the money that I have today."

So, I say to you, my friends, the plan we have offered is a fair plan. We ask people who don't contribute to the system, but who work, to make a contribution, because now we're paying for them, the rest of you are. For small businesses with low wage workers, we offer a discount. So, we'll pay a little bit, but they ought to pay something. Everybody who can pay, ought to pay something into this system. It is not fair for the rest of you to pay for it. That's where two-thirds of this plan gets paid for. We asked for an increase in the cigarette tax. We asked for big companies that are going to self-insure to make some contribution to medical research and to public health facilities, like all the rest of us do. And we asked for credit for savings that will surely come in the Medicare and Medicaid program.

When you hear that I have proposed to cut Medicare and Medicaid, don't you believe it. Medicare and Medicaid are projected to go up

at 3 times the rate of inflation. What we say is, "Adopt our plan, and they'll only go up at twice the rate of inflation." Now, in Washington, they think that's a cut. Where I come from, most of us would give anything to have an income increase at twice the rate of inflation, wouldn't we?

So I ask you to think about these things. The time has come to give the American people security, health care that's always there, health care that can never be taken away. The time has come to simplify the system. The time has come to prove that we can make savings. These are unconscionable areas of waste. And we can do it and preserve quality. We can do it and actually increase the choices most Americans have. We can do it and let about two-thirds of the people who have insurance get the same or better insurance for the same or less cost. But it is going to require some change in the system.

But this is a security issue. Unless we can be secure in our work and families, unless we can be secure on our streets, unless we can be secure in our health care, I'm not sure the American people will ever be able to recover the personal optimism and courage to open up to the rest of the world, to continue to lead the world, to continue to reach out and break

down the barriers of trade because we know a rich country can only create jobs through increasing the volume of trade, to make these internal educational and investment changes without which we cannot move toward the 21st century. So I ask you to keep doing what you're doing. Help us pass these bills. Get us a crime bill. Get us a health care bill. Get us the economic bills that we've got up there. Pass the Education 2000 bill, all of our education bills.

But remember what the big picture is. The big picture is, the world is trending in directions we cannot fully understand but we pretty nearly can imagine. And we have got to get to the 21st century with America still the strongest country in the world and with the American dream alive again and with a strong middle class again. That means we've got to change. And to change, we have to give our people security again. We can do it. Together, we can do it.

Thank you, and God bless you all.

NOTE: The President spoke at 10:11 a.m. at the Washington Sheraton Hotel. In his remarks, he referred to Democratic National Committee officers David Wilhelm, chairman, Kathleen Vick, secretary, and Lottie Shackelford, Martha Love, and Debra DeLee, vice chairs.

Exchange With Reporters on Departure for New Brunswick, New Jersey October 8, 1993

Secretary of Defense Les Aspin

Q. Are you going to support Les Aspin?

The President. Well, yes. I mean, what is the question in reference to? I'm sorry.

Q. In reference to all the complaints on Capitol Hill about his performance.

The President. Well, I will say again, I asked Secretary Aspin why the extra—weren't sent to Somalia. He said to me that when they were asked for, there was no consensus among the Joint Chiefs that it should be done. And he normally relied on their reaching a consensus recommendation on an issue like that, a military—[inaudible]. And secondly that it was never suggested to him that they were needed for the kind of defensive purposes that it's been speculated that they're useful for during this

last raid, that it was only for offensive purposes, and that it was his best judgment that we were trying to get the political track going again, and we didn't want to send a signal that we were trying to conduct more offense in Somalia. He also said if anybody had made the defensive argument, that would have been an entirely different thing. And obviously if he had known then what he knows now, he would have made a different decision.

Q. Mr. President, did you know about the request in advance, sir?

The President. Did I know? No.

Q. Were you told—[inaudible]—and also do you think—

The President. No. And I was talking to General Powell on a very regular basis about this