

And we put these new tools into the hands of the toughest and most talented trio of crimefighters ever assembled at the Federal level: the Attorney General, Janet Reno, a seasoned prosecutor from Miami; the FBI Director, Louis Freeh, a streetwise former prosecutor and tough Federal judge with a nationally acclaimed record of crimefighting; and Lee Brown, the former police chief of New York, Houston, and Atlanta, the father of community policing, who now serves as our Director of Drug Control Policy.

But these law enforcement leaders cannot and must not wage this war alone. We in Government can start by ensuring that the criminal justice system reflects our values and restores people's confidence in the Government's ability to prevent and punish crime. But the power of every individual to influence those around them is also very strong, and it's also a power we must turn to if we're going to turn the crime problem around. Too many of our fellow citizens simply reject values like decency, order, and the respect for the rule of law. Often we can yank people like that back to what is right and what is true.

Every one of us needs to speak up and provide better role models for our young people before we lose them to the meanness of the streets. We can take simple but effective actions like taking car keys away from teenagers and adults who are under the influence of alcohol or drugs before they get behind the wheels of their cars and risk great damage to themselves and to others. We can urge broadcasters and advertisers to tone down the violence we see on television and in theaters every day and persuade them that there is a market for programs and movies that reflect and reinforce our values. We can remind people of the opportunities they have for community service so that they can express their patriotism and caring by giving something back to the country which gives us so much and helps people in need at the same time.

In short, we can work together as partners. And when we do, when the Government works with us and not against us, there is nothing the American people can't do.

With the economic plan in hand and a very tough anticrime bill on the way, we can truly

say our country is headed in a new direction: more responsibility, more opportunity, a deeper sense of community, and restoring the American dream.

Thanks for listening.

NOTE: The address was recorded at 4:40 p.m. on August 13 at the Park Oakland Hotel in Oakland, CA, for broadcast at 10:06 a.m. on August 14.

### **Remarks to the National Governors' Association in Tulsa, Oklahoma**

*August 16, 1993*

Thank you very much, Governor Romer, Governor Campbell, our host Governor, Governor Walters. I'm really glad to be here today. The last time the Governors met in Oklahoma was in 1981, right after I had just become the youngest former Governor in American history. I've never been to an NGA meeting in Oklahoma, so I would have showed up here even if you hadn't invited me to speak.

I want to say that Hillary and I are both very glad to be here, to be with you again. We're looking forward to our meeting after this where we can talk about the health care issue and other issues in greater detail. I treasure the partnership that I have had with so many of you and which we are trying to develop and literally imbed in Federal policy today. I know that you have already received an update on the progress that we have made together, working on more rapid processing of the Governors' waiver requests in many different areas and a number of other issues, which I hope we'll be able to talk more about later.

I know too, that the Vice President has already been here and taken all my easy lines away. Even told you the ashtray story, I know, yesterday, which I understand Governor Richards said was one of those issues that her mother in Waco could understand.

Today I come to talk to you about the issue of health care. I would like to put it into some context. When I became President it was obvious to me, based on just the announcements and evidence which had come into play since the November election, that the

Federal deficit was an even bigger problem than I had previously thought and that, unless we did something about it, we would not have the capacity to deal with the whole range of other issues; that forever, at least during the term of my service, we would be nibbled away at the edges in trying to deal with health care reform or defense conversion or welfare reform or any other issue by the fact that we simply were not in control of our own economic destiny.

And so we devoted the first several months of this administration to trying to pass an economic plan that would reduce the deficit by a record amount, that would have at least as many spending cuts as new tax increases—in fact, we wound up with more spending cuts—and that would give some incentives where they were needed, particularly in the small business, in the high-tech, in the new business area, to try to grow more jobs for the American economy. That has, I believe, laid a very good foundation for the future.

This morning I was reading in the morning newspapers that long-term interest rates are now at a 20-year low, the lowest they've been since 1973. And we have the basis now to proceed on a whole range of other issues. When the Congress comes back next month, I believe that the Senate will rapidly pass the national service legislation, which many of you are very familiar with and which many of you have supported. It will pass on a bipartisan basis and will enable tens of thousands of our young people to earn credit for their college education by serving their communities at home and solving problems that no Government can solve alone.

We are working on defense conversion initiatives from northern California to South Carolina and at all points in between. I hope we can do more on that. We will have a major welfare reform initiative coming up at the first of the year, which I hope all of you will not only strongly support but will be active participants in. And meanwhile, keep doing what you're doing and asking for the waivers you think you need.

There is now before the Congress a crime bill which can have a big impact in every State here, that will add 50,000 more police officers on the street, support innovations like boot camps for first offenders, help us

to pass the Brady bill, and deal with a number of other issues facing us there.

There will be initiatives to expand the economic range of Americans. As I know that you all know now—and I wish he could be here with us today—our Trade Ambassador, Mickey Kantor, successfully concluded the NAFTA negotiations just a few days ago with some historic, some historic provisions never before found in a trade agreement anywhere, including the agreement by the Government of Mexico to tie their minimum wages to productivity and economic growth and then to make their compliance with that the subject of a trade agreement, which means that it can be reviewed, that if there are violations they can be subject to fine, and ultimately the trade sanctions can be imposed. Nothing like this has ever been found in a trade agreement before. It ensures that workers on both sides of our border can benefit. And I appreciate the support of the Governors for the whole issue of expanding trade. We are now in Europe trying to get the GATT negotiations back on track, and I hope we can do that.

Finally, let me say there will be a whole push toward the end of the year on a whole range of political reform issues. One or the other House of Congress have already passed a campaign finance reform bill, a lobby limitation bill, and the modified line-item veto, which I think that 100 percent of you think that the President ought to have.

In addition to that, the Vice President will issue a report to me very shortly on the reinventing Government project, which he discussed with you in great detail yesterday. The only thing I can tell you is that everything I ever suspicioned about the way the Federal Government operates turned out to be true, plus some. The ashtray story is only illustrative. The fundamental problem is not that there are bad people in the Federal Government or that the payrolls have been swollen by people who just want to pad them. That is not true. In fact, many of the Federal agencies didn't grow at all in the 1980's. What has happened is that for the last 60 years one thing has been added on to another and people with the best of intentions have just piled one more requirement on to the Federal Government, and the fundamental

systems that operate this Government have gone unexamined for too long, whether it's personnel or budgeting or procurement. And we are trying to do that in ways that I think would free up a lot of money and improve the efficiency and service that the American people are entitled to expect from all of us.

Now having said all that, I want to make two comments. I don't think that any of it will take America where we need to go unless we also reform the health care system, which is the biggest outstanding culprit in the Federal deficit and is promoting economic dislocations in this economy. And secondly, I don't think we can do it unless we do it on a bipartisan basis.

I never want to go through another 6 months where we have to get all of our votes within one party and where the other party has people that want to vote with us and they feel like they've got to stay—and the whole issue revolves around process instead of product, political rhetoric instead of personal concern for what's going to happen to this country. There's plenty of blame to go around. As far as I'm concerned there will be plenty of credit to go around. I don't much care who gets the credit for this health care reform as long as we do it.

But I am convinced that what this Nation really needs is a vital center, one committed to fundamental and profound and relentless and continuing change in ways that are consistent with the basic values of most Americans and that move all of us along a path. And I don't think you can do it unless we can sit down together and talk and work.

Many of the skills which are highly prized among you—both in your own States, where you serve and work with people who think differently than you do on some issues, who belong to different parties than you do, and the way you work around this table—those skills are not only not very much prized, sometimes they're absolutely demeaned in the Nation's Capital.

When we come here and we try to work on something like we worked on the welfare reform bill in 1988, we talked about: How does this really work? How are people really going to be affected by this? How can we deal with our differences of opinion and reach real consensus that represents prin-

cipled compromise? And how can we be judged not just on what we say but on what we do?

Back east where I work, consensus is often turned into cave-in; people who try to work together and listen to one another, instead of beat each other up, are accused of being weak, not strong. And the process is a hundred times more important than the product. Beats anything I ever saw. And the people that really score are the people that lay one good lick on you in the newspaper every day instead of the people that get up and go to work, never care if they're on the evening news, never care if they're in the paper, and just want to make a difference.

And so I say to you, anything that you can do to help me and the Congress to try to recreate the mechanisms by which you have to function in order to do anything at the State level and by which we have worked together here to move forward on a whole range of issues, I will be grateful for. This country has too many words and too few deeds on too many issues, and we can do better than that.

Now, let's talk about the health care issue. We all know what's right with our health care system. For those who have access to it, it is the finest in the world, not only in terms of the incredible technological advances but in terms of having choice of our physicians, ready access to health care, and overall high quality that lasts throughout a lifetime. We can all be grateful for that.

My Secretary of Housing and Urban Development, Henry Cisneros, and I were talking the other day. His son just had a profoundly important and difficult operation. Just a few years ago he was told that about all he could hope for for his boy was a comfortable life, and eventually his time would run out, probably sooner rather than later. And because of the relentless progress of medical technology, his son now has a whole new lease on life.

Nobody wants to mess up what is good with American health care. We must preserve it and preserve it with a vengeance. But we also know what is not so good. We know that in a world in which we must compete for every job and all the incomes we can, we are spending over 14 percent of our

income on health care. And only one other nation in the world, Canada, is over 9. They're at about 9.4. Our major competitors in the high-wage chase for the future, Japan and Germany, are down around 8 percent. So they're at 8, and we're at 14. More troubling, if we don't do anything to reverse the basic trends that are now rifling through our system, by the end of this decade we'll be at 19 percent of GDP on health care. No one else will be over 10, and we'll be basically spotting our competitors 9 cents on the dollar in every avenue of economic endeavor. I don't think that is something that's right.

We know that this places enormous pressure on businesses. I'll come back to some of the comments made by Mr. Motley along toward the end of my remarks, but the truth is that about 100,000 Americans a month are losing their health insurance because their employers can no longer afford to carry it under the present system we have, and others, holding on for dear life, are never giving their employees pay raises. And it is estimated, unless we do something about this system, that the increased cost of health care between now and the end of the decade will literally absorb all of the money that might otherwise be available in this economy to raise the salaries of our working people.

We see employers unequally treated by the cruel hand of the system that we have. We know now we are spending far more money, about a dime on the dollar probably, administratively just on paperwork, pushing paper around, than any of our competitors are. A decade ago, the average doctor took home about 75 cents on the dollar that came into the clinic. Today that's down to 52 cents on the dollar, in only 10 years, because we are awash in paperwork imposed (a) by the Government and (b) for the fact that only the United States has 1,500 separate health insurance companies writing thousands and thousands of different policies.

I have a doctor friend in Washington who recently hired somebody not even to do paperwork but just to stay on the phone to call insurance companies every day to beat them up to pay what has already been covered—money right out of the pockets of the nurses that work in his clinic. And there's a story

like that in every health care establishment in America today.

We know we still have almost 40 million people uninsured, and more every month, not fewer. We know that State governments are literally being bankrupt by the rising costs of Medicaid—money that used to go to education, money that used to go to economic development, money that could have gone to law enforcement going every year, just shoveling out the door, not for new health care, more money for the same health care. And even when we control the price of certain things, that extra utilization, or more people coming into the system because the rest of it is broken down, are driving the costs up. We know that there are still serious access problems.

And we know, as I said, that the Federal deficit is in terrible shape because of health care. If you look at this budget the Congress just adopted, defense goes down, discretionary spending is flat. That means we spend more money on defense conversion, on Head Start, on pregnant women, on a few other things—every dollar that we spend more on, that something else was cut. The only thing that's going up are the retirement programs—and Social Security taxes produced a \$60 billion surplus for us even with the cost-of-living allowances—and health care. Everything else is either flat or down. And under all scenarios proposed by all people who presented any budgets last year, the deficit went down for 4 years and then started going up again because of health care. So the only way we can keep our commitments, you and I, to the American people to restore real control over this budget is to do something about health care.

Now, I would argue that if you know you've got a list of what's right and you know you've got a list of what's wrong and what's wrong is going to eventually consume what's right, you cannot continue to do nothing. And I don't think most people want to continue to do nothing.

I want to thank the NGA and especially the Governors who have worked with us throughout this process. Many of you have met with the First Lady and Ira Magaziner and the people, literally hundreds and hundreds of people, who have worked with them

on a bipartisan basis to try to craft a health care reform package that will ensure that the States are real partners in our efforts to preserve quality, cover everyone, control costs, and enable the States and the Federal Government to regain some control over their financial futures.

No one embodied that spirit of bipartisanship on this issue more than our late friend, George Mickelson. And I just want to take a word here to say how very much I appreciated him as a friend, as a Governor, and as someone who had the sort of spirit that if it could embrace this country on this issue, we could solve this problem in good faith.

The National Government has a lot to learn from the States in the tough decisions that some of you have made already. I can honestly say that along toward the end of my tenure as Governor, the most frustrating part of the job was simply writing bigger checks every year for the same Medicaid program when I didn't have the money that all of us wanted to spend on education and economic development and the other important issues before us.

There have been phenomenally important contributions made to this debate already by the Governors of many States in both parties. I won't mention 1, 5, or 10 for fear I'll leave out someone I should have mentioned, but let me say that I am very grateful to all of you for the work that you have already done. I also want to say a special word of regret about the absence here of the Governor from my home State, Jim Guy Tucker, who himself has been getting some world-class medical care. And I talked to him last night. He's feeling quite well, and he promises to be at the next meeting.

But all of you have a role to play in what we're about to do. Over the last 8 months, I've met with many of you personally in Washington. Many of you have lent your staffs to the efforts that we're making on health care reform. And we've learned clearly that what works in North Dakota may not work in New York. Just yesterday your executive committee pledged to support health care reform within a comprehensive Federal framework that guarantees universal coverage and controls costs. We will work with the States to phase in reform, and we will

help you to work out problems as they arise. And we have to have an honest discussion about what that framework ought to look like.

I want today to tell you what I think we should do. Next month I will outline a plan to Congress that will offer real hope for all Americans who want to work and take responsibility and create opportunities for themselves and their children. I think the elements of that plan ought to be as follows:

One, we've got to provide health care security to people who don't have it. That means not just those who don't have health insurance coverage now but those who are at risk of losing it. I don't know how many people I met last year all over this country, all kinds of people, who knew they would never be able to change jobs again because someone in their family had been sick. I don't know how many other people I met who couldn't afford their health insurance package because there was someone in their job unit that they needed to get rid of in order to be able to afford it. We have got to have a system of universal coverage that provides security to Americans.

Second, I think we have to have a system of managed care that maintains the private sector, organizes Americans in health alliances operated within each State, contains significant new incentives for prevention and for wellness and against overutilization, and that has a budget so that the competition forces should keep things within the budget. But ultimately, especially in the early years, there must be some limit. I will say again, if we don't change this, we're going to go from 14 to 19 percent of our income going to health care by the end of the decade. It is going to be very difficult for us to compete and win in the global economy with that sort of differential.

Second—third, excuse me, there must be insurance reform. There has to be a basic package of benefits. There needs to be community rating. There has to be some opportunity—I heard Governor Wilson talking about this before I came out—for pooling for small employers. We cannot permit price differentials that exist today to get worse instead of better simply because of the size of the work units.

Finally, in this connection, if we do these things, there will be massive cuts in paperwork because you won't have to have every health unit in this country trying to keep up with thousands of different options and all the myriad complexities that flow from that. We won't have another decade when clerical employment in the health care area goes 4 times faster than health care providers. No one believes that that is a very sound investment in our Nation's future.

Next, we have to have significant, significant increases, not decreases, in investment and research and technology.

Next, in my judgment, we should attempt to take the health care costs of the workers' comp system and the auto insurance system into this reform. That might be the biggest thing we could do for small businesses. It would also perhaps be the biggest thing we could do to reduce some of the inequalities—some of you might not like this, and others would love it—but the inequalities in economic incentives that various States can offer because of dramatic differences in workers' comp costs from State to State, occasioned more than anything else by the health care burden of workers' comp.

Next, I think that we should have 100 percent tax deductibility, not 25 percent tax deductibility, for self-employed people. And that will be a part of the plan we will offer to Congress, something that will increase the capacity of people who are self-employed to maintain health insurance, whether they're farmers or independent business people.

Finally, I think the States must have a strong role and essentially be charged with the responsibility and given the opportunity to organize and establish the health groups of people who will be able to purchase health care under the managed care system. I think we should expand options for people of low incomes on Medicare but not poor enough to be on Medicaid to get a prescription drug benefit phased in over a period of years. Similarly, I think we must do the same thing with long-term care. But as we provide more long-term care opportunities for the elderly and for persons with disabilities, we must also expand the option so that they can get the least cost, most appropriate care. We must remove the institutionalized biases that are

in the system now, which keep a lot of people from having access to home care, for example.

And finally, I think there has to be some responsibility in this system for everyone. There are a lot of people today that get a free ride out of the present system who can afford to pay something. I think there should be individual responsibility. I think every American should know that health care is not something paid for by the tooth fairy, that there is no free ride, that people should understand that this system costs a lot of money. It should cost a lot of money; it ought to be the world's best. But we should all be acutely aware of the costs each of us impose on it.

But I also believe that in order to make individual responsibility meaningful and in order to control the cost of this system, there has to be some means of achieving universal coverage. If you don't achieve universal coverage, in my judgment, you will not be able to control the costs adequately. Why? Well, for one thing, you will continue to have cost shifting. If you have uncompensated care, the people who give it will shift the cost to the private sector or to the Government. And that will create significant economic dislocations.

Now, it seems to me we have four options. If you believe—you have to decide—if you believe everybody should be covered, you have only four options. And I would argue that three of them are not, at least based on what I have seen and heard, very good options in practice as opposed to in theory.

Option number one is to go to a single-payer system, like the Canadians do, because it has the least administrative cost. That would require us to replace over \$500 billion in private insurance premiums with nearly that much in new taxes. I don't think that's a practical option. I don't think that is going to happen. That would be significantly dislocating in the sense that overnight, in a nation this size, you'd have all the people who are in the insurance business out of it unless they were in the business of managing the health care plans themselves, as more and more are doing.

Option number two would be to have an individual mandate rather than a mandate

that applies to employers and to employees, saying that every individual's got to buy health insurance, and here are some insurance reforms to make sure you can get it. This approach has found some favor in the United States Congress, primarily among Republicans but not exclusively, because it has the appeal of not imposing a business mandate, which has a bad sound to it.

Here's the problem with that, it seems to me. If you have an individual mandate, on whom is it imposed? And don't you have to give some subsidy to low-income workers, just the way you'll have to give some subsidy to low-income businesses if there's an employer mandate? Who gets it and who doesn't? And if you impose an individual mandate, what is to stop every other employer in America from just dumping his employees or her employees, to have a sweeping and extremely dislocating set of—a chain of events start? So it seems to me that there are a lot of questions that have to be asked and answered before we could embrace the concept of an individual mandate.

The third thing you could do is not worry about it. You could just say, well, we'll have all these other reforms, and just hope that if you could lower the cost of insurance and simplify the premiums and have big pools, that sooner or later somehow everybody will be covered.

The problem is that there is a lot of evidence that some people will still seek a free ride. And make no mistake about it, people that never see themselves as free riders still ride the system, because everybody in this country who needs health care eventually gets it. It may be too late. It may be too expensive. But if someone who works in a workplace where there is no insurance has a child that gets hit in a car wreck or just gets sick or has an acute appendix or something happens, they'll get health care. And that will be paid for by someone else.

And indeed, even for the employers and employees that may go a whole year and never use the health care system, it's there waiting for them. It's an infrastructure just as much as the Interstate Highway System is. Every medical clinic, every hospital, every nursing home, all these things are the health care infrastructure of the country, all being

paid for by someone else but still available to be used for those folks. So I don't think we can rationally expect to stop cost shifting or to have a fair system if we say we're going to organize all this and just hope everybody will get into it.

That leaves the fourth alternative, which is to build on the system we now have. The system we now have works for most Americans. Most Americans are insured under a system in which employers pay for part of the health insurance and employees pay for part of the health insurance, and it's worked pretty well for them except for the laundry list of problems that we talked about. But most Americans are covered under it.

What are the problems with doing this? Well, first of all, if you just passed an employer mandate and did nothing else, there would be a ton of problems in doing it, because the most vulnerable businesses would have the highest premiums and a bunch of them would really be in deep trouble. No one proposes to do that. In other words, an employer mandate itself would not be responsible unless you also had significant insurance reforms, a long period of phase-in, and a limitation on how much the premium could be for very small businesses or businesses with very low-wage workers that obviously are operating on narrow profit margins.

But I would argue to you that based on my analysis of this—and I've been thinking about this seriously now for more than 3 years, ever since the Governors' Association asked me and the then-Governor of Delaware, now a Congressman from Delaware, to look at the health issue. And I have thought about it and thought about it. There may be some other issue, but I see only those four options for dealing with this. And it seems to me the shared responsibility, in a fair way, of employer and employee, building on the system we have now which works, taking proper account of the need to phase it in and to maintain limits on lower income and lower wage employment units, is the fairest way to go.

Now, it seems to me that all this will be discussed and debated in the Congress; the Governors will be a part of it. The first decision we have to make is whether we can fool around with this for another 10 or 20 years

or whether the time has come to act. Just consider this one fact: If health care costs had been held in check—that is, to inflation plus growth—since 1980, State and local governments would have, on average, 75 percent more funding for public school budgets. In 1993, fiscal year 1993, States spent more on Medicaid than on higher education for the first time. And State spending on Medicaid is expected to jump from \$31 billion in 1990 to \$81 billion in 1995 if we don't change this system.

I believe that health care reform will boost job creation in the private sector if it is done right. I believe it will offer a level playing field to all those small employers who are covering their employees right now and paying too much for it. I believe it will be a critical first step in rewarding work over welfare.

When we did the Family Support Act in 1988, those of you who were here then will all remember what all of us concluded—and the Governor of South Carolina, since he had once been the ranking member of the appropriate subcommittee on the House Ways and Means Committee, played as big a role in understanding this as anybody else—that a lot of people stayed on welfare not because of the benefits, because the benefits had not kept up with inflation; they did it because they couldn't afford child care for their kids and because they were going to lose health insurance for their children.

We have gone a long way, I think, toward reducing incentives to stay on welfare with this new economic plan, because the earned-income tax credit has increased so much that now people that work 40 hours a week and have children in the home will be lifted above the poverty level. That was the most major piece of economic social reform in the last 20 years. But we still have to deal with the health care issue.

I recently had a very sad conversation with a woman who became a friend of mine in the campaign who was a divorced mother of seven children, and her youngest child had a horrible, horrible and very expensive health care condition. The only way she could get any health care for this kid was to quit a job where she was making \$50,000 a year, proudly supporting these children, to go on public

assistance so she could get Medicaid to take care of her child. And the young child just recently passed away. And so I called and talked to the woman, and I was thinking about the incredible travail that she had gone through and wondering if now she would ever be able to get another job making that kind of money to support her remaining children and to restore her sense of dignity and empowerment.

Let me say one last thing about this. I think if we do this right, it will restore our sense of individual and common responsibility. I will say again, I do not believe anybody should get a free ride in this deal. I think we have all—at least I've been part of it—have made a mistake in trying to say that people should pay absolutely nothing for their health care if they could afford to pay something. People ought to pay in proportion to what they can afford to. But I think that the system we have is so riddled with those who don't have any responsibility at all that it is chock full of loopholes.

And let me say again, everybody who says, "Well, this is just too complicated, and it's too much trouble, and it's too hard to think about," ought to consider the consequences of doing nothing. Doing nothing means more people lose their coverage, and those who don't will pay too much for their coverage. Doing nothing means that all those uninsured and underinsured Americans will be covered by vast outlays by State, local, and Federal governments. The rest of us will pay more at the doctor's office, the hospital, and our own businesses. Doing nothing means insurers will continue to be able to charge prices that are too high to those who don't have the good fortune of being in very large buying cooperatives, and that the paperwork burden of this system, I will say again, will continue to be a dime on the dollar more than any other country in the world. We cannot sustain that sort of waste and inefficiency. More than 60 cents of every new dollar going to the Federal Treasury over the next 5 years under our reduced budget will go to health care, after we had a \$54 billion reduction in Medicare and Medicaid expenses over the estimated cost of the previous budget; 12 to 15 percent added costs every year for large businesses; 20 to 30 percent for small busi-

nesses; no wage increases for millions, indeed tens of millions of workers; and continued fear and insecurity. Policing the system against incompetence will be left to a flawed system of bureaucrats, of insurance oversight and malpractice that rewards things that don't deserve to be rewarded and ignores legitimate problems.

Now, let me talk about this jobs issue one more time. If you just imposed a mandate and did nothing else, would it cost jobs? Yes, it would. Any study can show that. That is not what we propose. If you reform the insurance system and all these big employers that are paying way too much now and all these small employers that are paying way too much now, wind up with reductions or no increases in the years ahead, that is more money they're going to have to invest in creating new jobs in the private sector. If you reform the insurance system, you phase in the requirements, and you limit the amount of payroll that someone can be required to put out in an insurance premium, you're going to limit the job loss on the downside while you're increasing it dramatically on the upside. If you reduce the paperwork burdens, yes, you won't have this huge growth in people doing clerical works in doctors offices and hospitals and in insurance offices. But you will have more people going into old folks' homes and giving them good personal health care, trying to keep them alive in ways that are more labor intensive but less expensive. So there will be shifts here.

But who can say, if you trust, if you trust the private sector to allocate capital in ways that will make America most competitive and to take advantage of lower health care costs by reinvesting it in this economy, who could possibly say that if we move closer to the international average in the percentage of our income going to health care, it wouldn't lead to more productive investment and more jobs in America? I think that is clearly what would happen.

We have focused this debate only on the minority of people who don't have health insurance and don't cover their employers and assume that we would lay some mandate on them and make no other structural changes. I wouldn't be for that. You couldn't be for that, although at least that would stop the

cost shifting. It would not be enough. That is not what we propose. But if you do this right and we phase it in so that as we deal with problems, we find them, we can correct them; if the States are dealing with the management side of this through these health alliances, we can make this work.

It just defies common sense to say that we can't maintain the world's finest health care system, stop all this cost shifting, bring our costs back at some competitive level, cover everybody, and create jobs. No matter what happens we'll be spending a lot more than any other country on health care at the end of the decade. But we'll be protecting people, and we'll be working with them.

I'm convinced that the biggest problem we've got right now is the fear of the unknown and the exaggeration into the unknown of what, in fact, is already known. To say that we're talking about some untried, untested thing ignores the experience of Hawaii, ignores the experience of every other country that we're competing with, ignores what we know about how our private sector could actually manage the problem better in some ways than Germany and Japan have managed it, and basically, is rooted in somehow our lack of belief that we can overcome all the ideological divides and the rhetorical barbs and the fears that are gripping us.

So I will say again, I don't pretend to have all the answers, but I am absolutely sure this is the problem that America cannot let go, that we cannot walk away from. And I am absolutely convinced that we can solve it if we can meet around a table without regard to party and listen to the facts and work through it. I am convinced of that.

I want to close by telling you a story. When the Pope came to Denver and I was given the opportunity to go out there and meet him and have a private audience that I will remember and cherish for the rest of my life, we arranged for a young girl to come there and just stand in the audience. And all she did was have the Pope put his hand on her head and say a word of blessing. This child is 13 years old. She's from Wisconsin. Her father we met in the course of the campaign. She was born with a rare bone disease which caused the bones in her body to break continuously so that by the time she actually

came out of her mother's womb she had already had about more than a dozen bones break in her body.

Just a few years ago, anybody like that could never have grown up and had anything like a normal life. They just would have been helpless, just continually crumbling. Now, this girl has gone to the National Institutes of Health every 3 months for her entire life. And even though she's just 13 years old, if she were here talking to you, she would speak with the presence, the maturity, the command of someone more than twice her age. And she looks a little different because the bones in her skull have broken, the bones in her legs have broken, the bones in her back have broken. But she can walk and she can function and she can go to school. And even though she's only 4 feet tall and weighs only 60 pounds, she can function.

And she asked her father to take her to Iowa so she could help people in Iowa to fight the flood. And she went to Iowa and loaded sand in the sandbags, knowing that any one of those bags could have broken her leg above the knee, could have put her away for a year. She said, "I cannot live in a closet. This is something that's there. I want to live. I want to do my life. I want to do what other people do."

And I was so overcome by it, I brought the girl to see me, and then we just quietly arranged for her to be there when the Pope was there. I say that to make this point. I asked her why in the world she would have done that, why she would have risked literally breaking her body apart to be there with all these big, husky college kids fighting this flood. And she said, "Because I want to live. And it's there, and I have to go on. I have to do things."

If a child like that can do something like that, surely to goodness, we can stop wringing our hands and roll up our sleeves and solve this problem. And surely we can do it without the kind of rhetoric and air-filling bull that we hear so often in the Nation's Capital. We can do it.

I miss you. I miss this. I miss the way we make decisions. I miss the sort of heart and soul and fabric of life that was a part of every day when I got up and went to work in a State capital. Somehow we've got to bring

that back to Washington. Think about that little girl, and help us solve this health care problem.

Thank you.

NOTE: The President spoke at 10:50 a.m. at the Tulsa Convention Center. In his remarks, he referred to John Motley, vice president, National Federation of Independent Business, and Gov. George S. Mickelson of South Dakota, who died April 20 in an airplane crash.

### **Executive Order 12859— Establishment of the Domestic Policy Council**

*August 16, 1993*

By the authority vested in me as President by the Constitution and the laws of the United States of America, including sections 105, 107, and 301 of title 3, United States Code, it is hereby ordered as follows:

**Section 1. Establishment.** There is established the Domestic Policy Council ("the Council").

**Sec. 2. Membership.** The Council shall comprise the:

- (a) President, who shall serve as a Chairman of the Council;
- (b) Vice President;
- (c) Secretary of Health and Human Services;
- (d) Attorney General;
- (e) Secretary of Labor;
- (f) Secretary of Veterans Affairs;
- (g) Secretary of the Interior;
- (h) Secretary of Education;
- (i) Secretary of Housing and Urban Development;
- (j) Secretary of Agriculture;
- (k) Secretary of Transportation;
- (l) Secretary of Commerce;
- (m) Secretary of Energy;
- (n) Secretary of the Treasury;
- (o) Administrator of the Environmental Protection Agency;
- (p) Chair of the Council of Economic Advisers;
- (q) Director of the Office of Management and Budget;
- (r) Assistant to the President for Economic Policy;