

Health Care Reform

Q. Might you ask Dr. Becker whether your health care plans are economically feasible?

The President. He probably wants to read it first.

Gary Becker. I haven't seen them yet. I'm looking forward to it. But clearly we need a great deal of reform in the health care area. So I'm looking forward with anticipation to see what they're like.

Q. Will a sin tax be part of that, sir—

Q. —my segue.

The President. I'm against sin, aren't you? [Laughter]

Let me say one thing, since you asked Dr. Becker the question. There has been an assumption in many of the business articles about the health care plan that it was necessary because too many people don't have health insurance and in any given 2- or 3-year period about one in five or one in four Americans will be without it. But the assumption is that it will be a job drain. That assumes that we will pile costs on top of what is already the most expensive system in the world by a good long ways.

I believe that this will be a job generator if we implement it sensibly and gradually and

over time we slow the rate of growth of health care costs. Right now we have to compete with other countries that are spending under 9 percent of their income on health care and covering everyone with outcomes and life expectancy and health that are as good or better than ours, and we're over 14 percent. If we don't change, we'll be up to 19 percent by the end of the decade without covering everybody and with no improvements in the present problem.

So my judgment is that if we do this right, it will be a job creator. So I think you have two things here, we have better health care and more security for American families and a better economic environment over the long run.

I've already talked more than I meant to. Maybe I'll win a Nobel Prize for that theory. [Laughter]

Q. Is the assumption about costs on top incorrect, Mr. President?

The President. I don't know what the assumption is.

NOTE: The President spoke at 4:11 p.m. in the Blue Room at the White House. A tape was not available for verification of the content of these remarks.

Remarks at the Opportunity Skyway School-to-Work Program in
Georgetown, Delaware
September 3, 1993

Thank you. I want to say how delighted I am to be back in Delaware. You know, when I saw Governor Carper here I was reminded of the time back during the election when Senator Biden and I had a big rally in Wilmington. And I was pleased to say that I was delighted to be in a place where it was not a disadvantage to be the Governor of a small chicken-growing State.

I am delighted to be here today. I can tell all of you are happy, too. How could you not be when you see students like Chrissy and Francis making those presentations? Weren't you proud of them? They were great. Let's give them another hand. [Applause]

I also want to thank Governor Carper and my former colleague and longtime friend, now your Congressman, Mike Castle, and Senator

Biden—without whom I don't think I could function as President—all of them for being here today. He is not responsible for the mistakes I make, only for the things that go right. [Laughter]

I want to thank all your State officials for coming here today and many of the local officials and all of you from the various groups. I want to say a special word of thanks to the two persons who also spoke on the program, Dorothy Shields from the AFL-CIO and my longtime friend Larry Perlman who came from a long way away. He lives in Minnesota, and he thought enough of this project to come here to represent the American business community. This is the sort of partnership that I want us to have in America. I'd like to say, too, how much I appreciate the work that has been done

by this education program, and to Diane and to all the others who are here, Carlton Spitzer and others, I thank you for the work you have done.

I came here today not just to showcase these fine students but to make the point that every student in America needs the opportunity to be in a program like this. I got into the race for President because I was very concerned about the direction of my country, a direction that had been underway for 20 years under the leadership of people in both parties in Washington with forces that are beyond the reach of ordinary political solutions. In 1973, real hourly wages for most working people peaked in this country, if you adjust them for inflation. For 20 years, most Americans had been working a longer work week for the same or lower wages, once you adjust them for inflation, while they've paid more for health care, housing, and education.

We have tried a number of things to deal with this issue, to deal with the whole question of how do you keep alive the American dream; how do you offer each generation of young people a better future than their parents had. It is clear to me that we have to revive our economy, all right, and we also have to pull our people back together. And the two things are inseparable. We need to offer our people more opportunity, insist that they assume more responsibility. We need to all be reminded that we are in this together. We have to recreate the American community. That's why when you see here business and labor and government, when you see young people of different racial and ethnic groups, when you see people reaching across their party lines, you really see the future of America—if it's going to be a good future.

I picked the two Cabinet members who are here with me today because I thought they could help us to create that future. The Secretary of Labor, Bob Reich, has been a friend of mine for 25 years and I think has written more thoughtfully than any other person I know about the future of the American work force and what's happening to us in this global economy. The Secretary of Education, Dick Riley, has been my friend for about 15 years now, was my colleague and one of the best Governors I ever served with on the issues of education and economic development. In other words, one of them is at the Labor Department, the other

is at the Education Department, but they both understand that if you want a good economic future, there can be no simple division between work and learning. We must do both.

In the last several months and in the months ahead, you will see a lot of publicity about other initiatives of our administration: the economic plan that reduced the deficit, increased incentives to invest, offered 90 percent of our small businesses a chance to reduce their tax burden but only if they reinvest in their businesses and gave tax relief to 20 percent of the working poor families in the State of Delaware; the reinventing Government program that the Vice President will announce next week that will help us to virtually revolutionize a lot of the things about the Federal Government to eliminate waste and inefficiency and give all of you better value for your tax dollar; the health program that the First Lady has worked on so hard for several months now, which will finally give every American family the security of knowing they won't lose their health care if they lose their jobs or someone in their family is born with a serious medical condition and will give the American business community the assurance that we're not going to bankrupt the country and wreck the economy by continuing to spend more and more and more for the same health care.

I will ask the Congress to approve, with the amendments that we secured, the trade agreement between the United States and Canada and Mexico because I believe it will create more jobs. And we'll have a vigorous debate about that, but I will tell you this: The real problem we've got right now in America in creating more jobs is rooted at least in part in the fact that our exports are not selling abroad because we have too many trade barriers in the world and slow economic growth everywhere. Latin America is the second fastest growing part of the world. They can buy more of our things, and they should.

And finally, Senator Biden and I are going to work on a new crime bill that will put more police officers on the street and take more guns out of the hands of our children.

All of these are critical to restoring opportunity, insisting on more responsibility from our people, and giving America the sense that we are one community again. But none of them will work unless we maintain a steadfast determination to educate and train our people at

world-class standards. We are living in a world where what you earn is a function of what you can learn; where the average 18-year-old will change jobs seven times in a lifetime; where there can no longer be a division between what is practical and what is academic. Indeed, one of the young students back there said, "I'm learning a lot more than I used to because this is fun." Now, that sounds funny, and a lot of you clapped when Chrissy talked before, but the truth is there's a lot of very serious academic research which indicates that significant numbers of our people actually learn better in practical circumstances than they do in classroom settings. It's different for different people.

For two centuries our education system has always been adequate to the task and has helped us to keep alive the American dream—an awful lot of people here today who wouldn't be doing what you're doing if you hadn't had the opportunity to get a good education. But on the eve of this new century, when we are struggling so hard to get and keep good jobs; when we are struggling hard to reestablish the premise that people that work harder and are more productive should earn more money year-in and year-out; a world of instant communication, supersonic transportation, worldwide technologies in global markets, and a veritable explosion of knowledge and invention, we have to face the fact that we, while we still have the best system of higher education in the world, are the only advanced country without a system to guarantee that every student that doesn't go on to a 4-year college institution has the opportunity to be in this program or one like it that we're celebrating here today. We don't do that.

So what happens? We see these young people talk and we see these young people demonstrate their skills, and our hearts are filled with joy, and we're proud, and we know they're going to have a decent future. What we don't see here today is that 50 percent of the high school graduates in this country do not go on to college, 75 percent of the high school graduates in this country don't finish college, and nowhere near all of them are in programs like this which should start when they are in high school. That is what this is all about today.

During the 15-year period from 1975 to 1989, the wages of young high school graduates, that is, young people who are under 25 who had only a high school diploma, dropped about 40 percent in real terms. The wages of young high

school dropouts, that is, people who are working full-time, dropped even more. Why? Because of the downward pressure on those wages caused by global competition, caused by mechanization, caused by all the pressures that you all know. But young people who got at least 2 years of post-high school training related to a workplace skill for which there is a demand in this global economy were overwhelmingly more likely to get good jobs with rising incomes.

And when you look at the American economy, when you see the unemployment rate or you see the income statistics, you know that they're grossly oversimplified. If the unemployment rate is 6.8 percent, what it really means is that the unemployment rate among people over 40 with college educations is about 3.5 percent, which is almost zero. You've got almost that many people walking around at any given time. But the unemployment rate among young people who drop out of high school may be 20 percent. And if they happen to live in a place where there's already high unemployment, it may be 40 or 50 percent.

This issue that we're meeting here about today may never acquire a great deal of public attention because we're not fighting about it. The bill that I introduced shortly before the Congress left has Republican as well as Democratic cosponsors. There are labor as well as business people up here. We are not having the old fights, but the old fights have not provided the new solutions that America desperately needs. And that is what we are here today to seek.

Change is going to happen in this country. No President can promise to shield the American people from the changes going on. And anybody that tries to is simply not being candid. The real question is whether change is going to be the friend of these young people and the rest of us or our enemy. And that depends on whether we can adapt to change.

This program today is an example of what America has to do to adapt to change. We can no longer afford to be the only advanced nation in the world without a system for providing this kind of training and education to everybody who doesn't go on and get a 4-year college degree. We can do better. We can have programs like this everywhere. And that's what our legislation is designed to do.

This legislation basically will support learning in the workplace, learning in the schoolroom,

and connections between the workplace and the schoolroom. It will involve all kinds of programs that are working. It is not a big Federal top-down program, but we will have some common standards: a certificate that means something when you finish a program, meaningful learning in the workplace and in the schoolroom, a real connection between work and school, and a real chance to get a job. And when combined with the other major piece of education legislation that we have in the Congress, the Goals 2000 program, which seeks to enshrine in the law the national education goals that the Governors adopted along with the previous administration of President Bush back in 1989, that legislation will establish for the first time a national system of skill standards so that you will actually know whether you're learning what you're supposed to learn by national standards and whether they stack up with the global competition. That is what we seek to achieve, not with a new Federal bureaucracy but by building on successes like this.

This bill involves a historic partnership, too, between the Departments of Education and Labor. They will sort of operate like venture capitalists. They will provide seed money to States, set the goals and the standards, give waivers to communities to give them more flexibility as they set up new programs, and require that the graduates attain real skill certificates that verify the quality of their training. But the design and planning of the programs will be left to States and communities and educational institutions who know best how to address the local possibilities. Finally, the school-to-work legislation will enable our Nation for the first time to create the kind of partnership that we so desperately need between schools, businesses, labor, and communities, so that we can connect our people to the real world. That's why the Business Roundtable, the National Association of Manufacturers, the United States Chamber of Commerce, the National Alliance of Business, the AFL-CIO, and leading Republican and Democratic legislators all support this legislation.

If we are going to prosper in the world toward which we are heading, we have to reach out to every one of our young people who want a job and don't have the training to get it. We don't have a person to waste. And believe you me, when we waste them, the rest of us pay. We pay in unemployment. We pay in welfare. We pay in jail costs. We pay in drug costs.

And when we make education come alive, as it has for these young people who showed me their plane, when we enable students to apply English, history, and science to the practical problems of the workplace, we are building a future that all of us will be a part of. We must—I will say it again—we must learn to integrate serious academic study into the workplace, starting in high school and continuing for at least 2 years thereafter, for everyone who needs it. If we do it, if we do it, we are going to do as much as anything else we could do to guarantee most Americans a real shot at a good future. And if we don't, all of our other, all of our other economic initiatives will be consigned to less than full success.

I got into this issue when I was a Governor of a State not unlike Delaware and I saw too many people working their fingers to the bone for less and less and less, too many people who were dying to go to work who could never find a job, too many people who didn't have impressive academic accomplishments but were plenty smart enough to learn anything they needed to know to compete and win in this global economy. I determined then as a Governor that if I ever had a chance to do something about this in this country, I would. And that's what we're here doing today.

I want you to support this legislation just like you support Opportunity Skyway. I want you to support the idea that the public and private sectors all over America can do for all of our young people who need it what this program has done for the young people we've heard from today: provide a smooth transition from school to work. So far, 900 high school students have participated in Opportunity Skyway. Many of them are en route to careers in aircraft maintenance, avionics, and airline piloting. Now they'll find out how much algebra and geography they've learned. And I'll say this, I'm on my way back to Washington now using a flight plan that the students prepared. Three or four hours from now, if I'm wandering out over the Atlantic somewhere—[laughter]—I'll know I wasn't very persuasive today.

There are programs like this one all over the country; we're going to build onto them. But we need your help. Next week when the Congress comes back, I hope each one of you will do what you can to encourage the United States Congress, without regard to party, to embrace this new approach to a new economy to give

these young people a new future and give America a better future. We can make a real difference, folks, a real difference if we'll pass this legislation and get about providing every young people the opportunity to be as self-assured, as knowledgeable, as skilled as the two young people you heard from today. That's an important legacy we ought to leave to them.

Thank you, and God bless you all.

NOTE: The President spoke at 10:47 a.m. in the Delmarva Aircraft Hangar at Sussex County Airport. In his remarks, he referred to Opportunity Skyway participants Chrissy Thomas and Francis Orphe; Larry Perlman, chairman and CEO of Ceridian Corp. and chairman of the Business Roundtable working group on workforce training and development; and Carlton Spitzer, director, Opportunity Skyway.

Remarks on Naming Bill Frenzel as Special Adviser to the President for NAFTA and an Exchange With Reporters *September 3, 1993*

The President. Good afternoon, ladies and gentlemen. A few days ago, as all of you know, I announced that Bill Daley in Chicago would be Special Counselor to the President to coordinate our effort to pass the North American Free Trade Agreement in the Congress. It is my great pleasure today to announce that Bill will be joined in our team by the gentleman to my left—probably an uncomfortable position for him—[laughter]—the distinguished former ranking minority member of the House Ways and Means Committee, Bill Frenzel from Minnesota, who for 20 years in Congress established a well-deserved record and is a genuine expert on this use of trade. He is now a guest scholar at the Brookings Institution, and he has agreed to come aboard as Special Adviser to the President for NAFTA while we work through this effort in Congress.

I also want to point out that we have just received a letter signed by 283 economists, among them liberals and conservatives and 12 Nobel laureates, reinforcing the position that I have taken strongly for over a year now, which is that this agreement, especially coupled with the side agreements, means more jobs, not fewer jobs, for the American people. This is a jobs issue.

Since the late 1980's, over half of our net new jobs have come from expanding exports. And one of the biggest deterrents to our expanding the job base in America today is declines in exports because of the flat economy in Europe, the flat economy in Japan. Latin America, as a whole, is the second fastest growing area of the world. Mexico is leading that

growth. I believe this is a very good move for the United States. It means more jobs. And I want to thank Bill Frenzel for his willingness to come aboard to make clear to all of America that this is a truly bipartisan effort and also to make it clear that we are serious about getting as many votes from Members of both parties as we can in the United States Congress. I thank you.

Congressman, I invite you to make a few remarks.

[At this point, Representative Frenzel thanked the President and reaffirmed his commitment to NAFTA.]

Q. Mr. President, do you think it will pass? And also, is there some intramural fight on whether health care should go first or you should focus on NAFTA first?

The President. Yes, I think it will pass, and no, there isn't one. We believe that it is the challenge, obviously, to present any kind of a major initiative to the Congress. But there is quite a difference between the two issues. Once the bill is ready for introduction under the laws governing NAFTA, it must be voted on in a certain amount of time. So there is a legislative timetable that will control that. The health care issue—the timetable for that will be largely determined by how quickly a consensus can be reached and by how much time the individual Members of the Congress are willing to put into mastering what is clearly the most complex public policy issue facing the United States today.