

the democratic community of nations, including free and fair elections, freedom of emigration, the rule of law, respect for human rights, including free speech, free press, and respect for the rights of individuals belonging to minorities. The United States strongly supported the commitment of the Republic of Georgia to develop in full accordance with these principles and its efforts to build a just and stable society where the fundamental freedoms of all peoples are guaranteed.

The United States and the Republic of Georgia expressed their determination to advance the values of economic freedom, without which democracy cannot succeed and prosperity cannot be attained. The Republic of Georgia reaffirmed its determination to build a market economy through appropriate macroeconomic stabilization policies and structural reforms to promote market development, economic recovery and growth, and to create conditions attractive to foreign investment, which will contribute to the restructuring of the Georgian economy. The United States will assist the Republic of Georgia to promote economic reform, free trade and foreign investment. Both sides recognize the importance of improved market access for their firms, and the need to ensure economic progress and to deepen economic cooperation.

President Clinton and Chairman Shevardnadze agreed to work together to remove all unnecessary barriers to bilateral trade and investment. The President and Chairman signed the U.S.-Georgian Bilateral Investment Treaty today. They also agreed on the advisability of completing preparations on a treaty to avoid double taxation.

The United States reaffirmed its intention to continue providing assistance to the Republic of Georgia in the areas of agriculture, food, medicine, fiscal and monetary policy, and other areas to promote reform in Georgia. The United States expressed its commitment to continue its assistance to the Republic of Georgia in meeting the needs of the persons displaced from the Abkhazia region of Georgia.

The United States and the Republic of Georgia are also ready to expand their relations in such areas as science, energy, culture, arts, education, law, sports, tourism, youth exchanges, and new information technology.

By agreeing to cooperate to advance common political, economic, and security interests, the United States and the Republic of Georgia have laid the foundation for a strong and diversified relationship.

Remarks to the American Society of Association Executives *March 8, 1994*

Thank you very much, Bob, for that fine introduction. Thank you, ladies and gentlemen, for the warm welcome. This is the biggest stage I've been on in quite a while. I'm told it's so big because you're having the Oak Ridge Boys tonight. That made me wish I'd been invited later instead of earlier. *[Laughter]* I want to thank your president, Bill Taylor, for the invitation to come here and Bob Elsner for that fine introduction, especially what he said about health care. I guess if it were easy, it would have been done a long time ago. I look out in this crowd and see many friends of mine from across the country. I saw my good friend Neil Offen, the president of the Direct Selling Association, a minute ago. And I've already spotted five or six people in the audience that I've

known for years. I thank you all for inviting me here and for giving me a chance to talk about health care today.

I'd like to just begin by trying to put this very briefly in the context in which I view it as your President. I think my job is to do everything I can to help every American reach his or her God-given potential and to try to bring the American people together to make our country stronger. In other words, even though you often don't read about it in these terms, the real purpose of our political system, when it's working properly, is to get people together and to get things done.

In the last year, we have been able to bring the deficit down, keep interest rates down, see economic growth come back into this country.

In the last 3 months of last year we had the highest growth rate in a decade, the biggest increase in productivity from American workers in 8 years. If our budget is adopted, the one I have presented to the Congress, we'll have 3 years of decline in the Federal deficit for the first time since Harry Truman was President and the first real reduction in discretionary non-defense spending since 1969, if this budget is adopted. At the same time, we're moving the money around so we'll be investing more in Head Start, more in medical research, more in new technologies to support defense conversion and to rebuild the American economy. We are beginning to turn this situation around and to make this Government work for the American people.

But this year we have a lot of other challenges we are facing. The Congress is working on a very important crime bill to put more police officers on the street, to stiffen penalties appropriately, to provide alternative punishments to first-time youthful offenders, to provide some ways for kids to stay out of jail, to take assault weapons off the street. They're doing a lot of important things. That's a big issue. And the Congress is dealing with that as we speak.

The Congress will take up welfare reform, a subject on which I have worked for well over a decade now. And I hope they finally will make welfare a second chance, not a way of life, for all Americans and enable us to bring children up in a better fashion. The Congress is going to have a chance now to finally pass a campaign finance reform bill, which will increase the confidence of the American people in the way we do our business here, and a lobby reform bill.

There are a lot of issues out there. But I can tell you that if over the long run we expect the American people to be a stronger community, if we expect our economy to have the funds necessary to invest in the growth opportunities of the 21st century, and if you want your Federal Government to be able to respond to the challenges of today and tomorrow, we must address the health care crisis. It is not just a problem for individual American workers and families, it is a problem for the Federal budget and for the national investment patterns.

I can tell you, just to give you two examples, in addition to the fact that almost every American, at least those who don't work for larger businesses or for the Government, is at some risk of losing his or her health insurance or

of having the inability to change jobs because someone in the family got sick, and almost every small business is at risk of having their premiums explode or their deductibles and copays explode, you also should know that this is a serious competitive problem for us. We are spending 14.5 percent of our income on health care. The Germans are just a little bit over 8 percent of their income. That's about where the Japanese are. Only the Canadians are at 10 percent of their income. If you think about spotting our competitors 5½ cents on every dollar spent, that is a significant issue. And almost all of you represent a group of business people who have personally experienced that. And as this economy becomes more global, that will become more relevant.

Now, should we spend more money than other countries on health care? I would argue we should and we must, because we invest more in medical research and technology. And we lead the world in that, and that generates jobs, opportunities, and incomes. We have these great academic health centers. Every American, just about, would be happy to pay a premium for that. Must we spend more? The answer to that is, yes, we must; as long as we have higher rates of violence and AIDS and teen pregnancy than other countries, we'll have higher bills. Does that account for all of the difference? Not even close. Not even close. A lot of it is directly related to the way we finance health care.

The second big problem you should know is this: In the budget we are adopting, we are cutting defense this year for the first time since 1969. If my budget's adopted, we'll cut non-defense spending. Social Security will go up, but only by the rate of inflation, and it's paid for by the Social Security taxes, which are in surplus. We'll have to pay more on interest on the debt as it accumulates, although not as much as we would if interest rates weren't low. The only thing in this whole budget that is really going up by more than the rate of inflation in the Federal budget is health care costs, 2 and 3 times the rate of inflation. And if we don't do something about it, then the rising cost of Medicare and Medicaid will mean that 2 or 3 or 4 years from now, none of you, no matter whom you represent, will be able to come to Washington and say, "How about a new airport, how about a new port, how about a new highway program? How about a new technology investment? How are you going to

keep up with our foreign competitors in the seven, eight areas of new technology that will control the future?" because we will be spending all of the money you give us in revenues on health care, while we cut everything else.

This is a huge problem. And I believe that after 60 years of false starts, we actually have an opportunity to do the right thing, that is, to give every American and every American family health security and have it be the right thing for the American economy and for the future of the United States.

For individuals, health security means freedom from fear and the freedom to prosper and the freedom to make choices that now are becoming narrower and narrower for most Americans in health care. For the Nation, it means the ability to bring health care costs within inflation, to have the chance finally to control the deficit, and to allow many businesses now struggling with this problem to be able to invest, to become more productive without having to make the decision to basically terrify their own employees by cutting back health care so much. Is this an easy problem? No. Does anybody have all the answers? No. If it were easy and someone had all of the answers, it would have been done before.

You represent more than 22,000 members who serve millions of Americans, tens of millions of Americans, engineers and teachers, pharmacists and farmers and bankers and Red Cross volunteers. Those are the kind of people served by the American Society of Association Executives. Next year you will turn 75, and for three-quarters of a century you have shown the importance of representation, of what can be done when people honestly seek to represent the genuine interest and feelings of their members and come together in a spirit of fairness and openness and try to achieve a common goal.

Well, I feel that I almost ought to be a member of this group. I could have a little tag that said the "Association of All the American People." [Laughter] And the members of my group want us to deal with the health care problem, and we're trying to do it. The American people want health care to be there when they need it, and they want it to be there at a reasonable price. That's what health insurance used to mean, what it can mean again.

I know that because of the opposition of various interest groups and because some of them have changed their position under withering po-

litical heat, there are some who have already said, "Well, we won't get health care reform; yet again, the people against it will prevail." Well, I say to the naysayers and the pessimists that, not quite so fast. I have seen a lot of endeavors in which I was involved over the last 15 years given up for dead, including my own endeavors, political endeavors. But it's a funny thing about our system here in America. The American people and their representatives, in the end, more than half the time, do the right thing when given the chance. Congress is starting today. I don't know how many Members of the Congress I've had tell me privately in the last week that they are actually becoming more optimistic that we will get a genuine health reform bill out that will provide health security to all Americans.

The reality is, and everyone knows this, that while we have the best health care in the world, people who have health insurance today might not have it tomorrow. People who can afford it today might not be able to afford it tomorrow. People who have choices with which they are satisfied today might lose all those choices tomorrow. Preexisting conditions today leave 81 million Americans at risk. It means they can be denied coverage or their rates can be raised or they can't leave the job they've got for a new one because they won't be able to carry insurance with them.

A lot of you represent small businesses. A lot of people would like to leave a bigger business and start their own business or might want to seek a better career opportunity that is in a smaller business than the one in which they are in. But if they have some member of their family that's been sick, they're literally trapped where they are, and they cannot do that. Three out of four Americans have lifetime limits on their policies which means that, for many of them, they can lose their coverage just when they need it the most. Two million families lose their health insurance every month, 100,000 of them permanently. We've seen an increase in the number of Americans without health insurance from 37 to 39 million just in the last 2 years.

The health care we have is good, if we can get it. But the health care financing system does not serve the American people well. It is broken. It is unfair. It leads to massive cost-shifting. It leads to, by far, the biggest paperwork burden of any health care system in the world. And

I would like to say in simple terms what I believe we should do to fix it.

First, we should guarantee private insurance to every American. Second, we should guard the right to choose a doctor and improve the quality of health care plans. Third, we should limit how much insurance companies can raise rates based on whether your business is large or small or you work for the government, whether you're older or younger or whether someone in your family has been sick. And we should make it illegal for people to drop others. But we must set up a system in which insurance companies themselves will not be forced into bankruptcy if we make it illegal to drop them, which is why it is important for people to be able to be insured in large pools. Third, we want to protect and improve Medicare and health care for older Americans. Fourth, we want to provide benefits through the workplace, because that's where 9 of 10 Americans who have insurance already get it.

Now, that's the approach. It's not complicated, although millions have been spent to make people think it is complicated; it is not all that complicated. It uses what works today to fix what's wrong today.

I know that a lot of people have seen this health security card. Don't leave home without it. [Laughter] But if you know how to use a credit card or a bank card or a Social Security card, people can figure this out. Under the system we have proposed, every American would get a card which stands for not a Government program but guaranteed private insurance and private health providers. The card would permit every American to choose a health care plan, to choose a doctor, to fill out one simple form, and to get health care for a whole year. And at the end of the year, Americans would be able to pick another plan or stay with the same plan or make a different decision. It would not stop any American, over and above that, from paying another private physician for some other service if that was desired. It would, in other words, give more choice than half the American work force has today in their health care plan.

Beginning by guaranteeing private insurance for all means that everyone must be covered. That's not only the only way to guarantee security, it's the only way to stop cost-shifting. As long as an insurance company can deny coverage or drop from coverage, then no one is really secure, and some Americans will have to pay

the price for other Americans' health care because those who don't have insurance will eventually get health care when it is too late and too expensive, often at an emergency room. And then the cost will be passed on to all the rest of you who are paying for your health care right now in the usual way.

That is why I have said that I cannot sign and, indeed, would have to veto a bill that pretended to reform the health care system without providing a system by which everyone is covered. Because unless everyone is covered, there is no cost control, there is no end to cost-shifting, there is no real security, and there is no balance in the system. We are the only country in the world that hasn't figured out how to do this with an advanced economy, and we ought to be smart enough to do it. I mean, basically when I see all these ads that say we can't do it, I say, these people are telling me my country is dumber than these other countries. I don't believe that. Or they are telling me that the price of having great health care and great teaching hospitals and great medical research and extraordinary technology is that you have to have some people who don't have anything and all the rest of us have to pay for that besides. I don't believe that. That cannot be true.

The benefits package ought to be comprehensive enough to encourage primary and preventive health care because that saves money over the long run. That's a very important part of this. You think about it: Immunizations, mammograms, physicals, prescription drugs, all those things actually avert our health care costs when properly done and keep us healthier. We spend too much time in America treating people when they are sick and not enough time keeping people healthy in the first place.

Secondly, we want to preserve and enhance choice as the best guarantee that the quality of American medicine will remain the best in the world. People should be able to choose on their doctors and their health care plans; it guarantees quality. Under our proposal now, everyone would have a chance to make at least one from among three choices, at a minimum, every year. You could choose traditional fee-for-service medicine; you could choose an HMO, for example; you could choose a preferred provider organization that physicians and others organized themselves. But every year you would be given the chance, once again, to make that choice under our proposal. This is important. More and

more people under the pressures of the present system are living with shrinking choices. And a lot of people are quite properly worried that those shrinking choices will not only interfere with their choice but will interfere with the quality of health care.

There have been a lot of articles written in thoughtful publications in the last few months pointing out that choice is a rapidly vanishing facet of American health care today, and that in fact the attack on our plan as limiting choice is simply not true; that by guaranteeing at least three choices and that you get to make a decision every year again, that we are building into this system a higher level of choice and therefore a guarantee of competition and quality that otherwise would not be the case.

Now, the other thing that I want to say about this system is that affordable insurance should be there and should not be able to be taken away. That's why we want to make it illegal for rates to be raised unreasonably or for coverage to be dropped based on age or previous condition of illness. And we know that in order to do that and be fair to the private insurance companies, we have to let people be in large pools. That is, this is what all of you know as community rating. That's the only way you can guarantee that small businesses and self-employed people and farmers, for example, through some sort of cooperative system, can have access to the same good rates that people in big business and Government do, still have community rating, not discriminate against the old, not discriminate against the worker who's had a sick child or a spouse with cancer, and not bankrupt the insurance companies. If they're going to be able to be a part of this, you have to have some system of community rating.

These steps are very important. They put the control of the health care system of America back into the hands of the American people on the one hand and health care providers on the other. Today, the control is determined by the financing, and it is in the hands of the insurance companies. And very often they do what they do because of the way we are all organized and divided, so that even if they don't want to do something that has a harmful effect, the economics of their business dictate it because of the way the system is set up.

We can't permit that to go on anymore. The American people should have the power to choose. The American health care providers

should have the power to deliver. There should be incentives to control cost through competition and requiring people to take some responsibility for their own health care. But it should not be organized the way it is now so that the people who are providing the financing in the middle have all the control and themselves are in a position not to make it fairer for many people. We cannot have the security of millions of our people in jeopardy, with a system that they are basically satisfied with when they have it but which could vanish overnight.

Another thing I want to say, because there have been a lot of questions about this, is that there's another part of our system we shouldn't mess up: Medicare is one of the best things about American health care because it works and has very low administrative costs, providing health security for millions of older Americans. The question is, how do we keep Medicare healthy as our population gets older? The fastest growing group of Americans in percentage terms are people over 80—hope to be one of them before long. *[Laughter]*

But how are we going to do that? How are we going to take care of our own as health care costs keep rising? We believe that we have to keep Medicare but that we have to recognize that the present system is heavily tilted toward institutionalized care which will (a) not be necessary for some people and (b) which will be explosively expensive as the percentage of our people living in higher age brackets goes higher and higher and higher. So our system, number one, covers prescription medicine along with Medicare, which Medicare doesn't do now—because we believe there is ample evidence that that keeps people healthier and will save money over the long run; a year's worth of medicine might cost the same thing as a day or two in a hospital—and secondly, by beginning to phase in a long-term care system where we give people some help for making noninstitutional choices, for keeping their parents at home or finding adult day care centers or having in-home care. Because otherwise, you're looking at a population, by the turn of the century and the end of the first decade of the next century, which we simply cannot afford to maintain and would be bad for our country, unless we have more different options to deal with this rapidly aging population.

So under our proposal, if you get Medicare you keep it, which also includes the doctor of

your choice and medical security. We achieve some savings in the Medicare program by bringing the rate of inflation in Medicare down to twice the rate of normal inflation. When you hear there are all these cuts in Medicare, don't believe it. We're just going to bring the rate of inflation down to twice the normal rate of inflation and take those savings to pay for prescription medicine and to pay for the beginnings of a new and more comprehensive long-term care system. This is, again, terribly important. We cannot do anything to mess up health care security for older people. But we must strengthen it.

Finally, I think we should guarantee these benefits at work. And this is, after all, among the organized folks the most controversial decision of all. Nine out of ten Americans who have private insurance get it at work. Eight out of ten Americans who don't have any insurance have someone in their family who works. Expanding the present system lets us reach out to most of the uninsured and is based on shared responsibility. It is the easiest and simplest way to accomplish the goal. It's also the right thing to do. You can never stop cost-shifting until everybody's got insurance.

Consider this—I just mentioned welfare reform earlier—if we take a welfare mother with two little kids who says, "I hate welfare, and I want to get off of it, and I want to support my children," and you give that fine person job training, and then the woman finds a job. And she goes to work for a small business at an entry-level pay slot, because she got a very limited education, and no health care benefits at the office. And that woman goes from getting a welfare check to getting a paycheck; she begins to pay taxes. She is now paying taxes for someone who made a different decision, who stayed on welfare to keep getting Medicaid, the Government-funded health care program for poor people, which she has given up to go to work. That, by the way, is the central reason that we're having some difficulty moving people from welfare to work. People don't want to hurt their children. Again, this is a system that no other country has. So we have to find a way to do it.

Now you say, well, but it's really tough on restaurants who have a lot of young people who are healthy and who don't want to pay for health insurance anyway. Or it's tough on people who have a lot of part-time workers. Some do and

some don't; UPS has over 100,000 part-time workers and insures them all. But you say, it's tough on businesses with part-time workers, and it's certainly tough on small businesses that are eking by. But that is why we reasoned that if we do this, we have to give substantial discounts for small businesses with low average payrolls, low profit margins, difficult times. There are big discounts written into this bill for just that purpose. And the self-employed, for the first time, under our bill, get 100 percent tax deductibility, not limited tax deductibility as they do now. These things will make this insurance more affordable, plus which, if small businesses and self-employed people are in larger pools, they will not be paying higher rates as they do now.

One reason small business people have to either not cover their folks or reduce coverage every year is that the average small business premium is 35 percent higher than the average government premium or big business premium. And you can't blame people for doing something in the face of those kinds of economics.

Another reason is, as a restaurant owner told me—the other day I was in Columbus, Ohio, and this restaurant owner said to me, "Look, I'm getting the worst of all worlds. I have 20 employees full-time and 20 part-time. And I was sick 5 years ago, so our rates went up." It was an eating establishment. She says, "I cover my 20 full-time employees. I don't cover the part-time employees. I feel guilty that I don't cover the part-time employees and mad that my competitors don't cover the full-time employees, and I'm having to pay higher rates because we had one person, me, in our group of 20 that was sick." So the rates go up, and the deductibles go up. She said, "I'm getting the worst of all worlds, too high insurance, my competitors have an advantage because I'm covering my employees and they aren't covering theirs, and I feel just terrible that the part-timers don't get any insurance at all." She said, "I would gladly do it all if everybody were treated the same way and we had access to competitive rates."

So I would argue that this is still the fairest and best way to make sure everyone is covered, discounts for smaller business, full deductibility for the self-employed, and a system which permits us to overcome the discrimination in rates that small business endures today.

So again, this is a private health care system; it builds on what has worked; it is not more Government and more bureaucracy. It uses

what's right about the American system, the health care, and fixes what is wrong, the financing. It guarantees permanent private insurance, safeguards the right to choose a doctor and a plan, limits how much rates can be raised because of categories and makes it illegal for people to be dropped, protects and improves Medicare and the health care of senior citizens, and provides health benefits to the workplace.

Now, the largest associations of America's family physicians, pediatricians, nurses, and pharmacists have supported this health care plan. Our approach was not designed to hurt anyone. It did have to make some difficult choices. It was designed for the American people. It was about giving life to our best values and dealing with one of our biggest problems. It was about giving families who work hard and do their best to raise their kids the security they deserve; stopping people from paying more because of the irresponsibility of others; stopping a situation in which 8 million older Americans, every month, who are not poor enough to be on the Medicaid program but are on Medicare and have to have medicine every month, 8 million, choosing between food and medicine. It was, in short, about dealing with a problem that is only going to get worse unless we fix it now and doing it in a way that does not interfere with what is finest about our health care system. It's about, ultimately, the freedom of the American people to be free from fear, the freedom to preserve choice, the freedom to preserve quality, and the freedom to grow and prosper into the 21st century, putting our values to work and believing that it is irrational to say that we can't do something that our competitors have figured out how to do.

That's why I think this year we will give every American the freedom that only real health care security can mean. I would encourage you to participate in this outreach, to respond to your communities, the people you honorably represent, not to agree with every jot and tittle of everything in the plan we have presented. If we involve thousands of people and work

for months and we know how complicated this is, but the basic things we have to do are fairly simple and straightforward. And we ought not to be in a great political campaign to maneuver symbols here. We ought to be involved in a great national debate of the American family to produce results that will genuinely solve this problem.

And so, my fellow Americans, let me end where I began. You represent an awful lot of the American family. You know how the people you represent would be affected by certain changes that were made. The Congress is beginning to debate in earnest. I ask you to support health security for all Americans. I ask you to support doing it through the workplace. I ask you to support preserving Medicare and preserving choice and giving small business people and self-employed people a break. I ask you to support those things. I ask you to enter into this debate and help us to fashion a plan that will meet those objectives. I ask you to do it with a good spirit, with a fair heart, with a sense of commitment to this, because you cannot succeed over the long run with the particular objectives of your group and we cannot succeed over the long run as a whole people unless we face this.

If we had done it earlier, it would have been less complex and easier. We'd still have problems with the health care system, the problems with this never go away in any country, but at least it would not have us by the throat, financially and emotionally. We can do this, we can do it this year, and we ought to do it. People like you will speak not with one voice on the details, but with one voice on the urgency of the mission.

Thank you very much.

NOTE: The President spoke at 10:50 a.m. at the Washington Convention Center. In his remarks, he referred to Bob Elsner, chairman, American Society of Association Executives, and country music entertainers the Oak Ridge Boys.