

of difficulty to the just and lasting peace he dreamed of.

As it is written in the words of a hymn I heard in my church last Sunday, "Grant that I may realize that the trifling of life creates differences, but that in the higher things, we are all one." In the twilight of his life, President Nixon knew that lesson well. It is, I feel certain, a faith he would want us all to keep.

And so, on behalf of all four former Presidents who are here, President Ford, President Carter, President Reagan, President Bush, and on behalf of a grateful nation, we bid farewell to Richard Milhous Nixon.

NOTE: The President spoke at approximately 5 p.m. at the Richard Nixon Library and Birthplace. These remarks were part of a White House press release including the remarks of Rev. Billy Graham, Henry Kissinger, Senator Robert Dole, and Governor Pete Wilson. A tape was not available for verification of the content of these remarks.

Nomination for District Court Judges

April 27, 1994

The President today nominated the following seven individuals to serve on the U.S. District Court: Harold Baer, Jr., Denise Cote, John G. Koeltl, and Barrington D. Parker, Jr. for the Southern District of New York; Rosemary S. Pooler for the Northern District of New York; John Corbett O'Meara for the Eastern District of Michigan; and Robert J. Timlin for the Central District of California.

"I am pleased to nominate these distinguished individuals to serve on the Federal bench," the President said today. "Each has an outstanding record of achievement in the legal community and public service."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Remarks to the National Council on Aging

April 28, 1994

Thank you very much, Jim and Dan, and ladies and gentleman. What a way to start

the day. I am so grateful for the opportunity to be with you today and grateful to the National Council on Aging for your early and continued support.

I want to acknowledge so many of you who are here. I've already mentioned Jim and Dan and Charles Schottland, who was Commissioner of Social Security under President Eisenhower; Bill Bechill, Commissioner of Aging under President Johnson. I want to thank, especially, my good friend Arthur Flemming, who has been such a tireless advocate for what we are trying to do.

You know, yesterday I had the moving responsibility as President to go to California to participate in the funeral of President Nixon. And in preparation for that event, I had asked my staff to get me copies of the last three books that he had written, and I read in all of them, and almost completed in its entirety the last book. The message of all of them was that we would never be a strong nation at home unless we were strong abroad, unless we continued to lead the world. I believe that.

I also believe that you cannot lead the world from this country unless we are strong at home, unless the American people are self-confident and united. In a way, that is more true today than ever before; our destinies at home and abroad are intertwined. Very frequently, when we ask our partners, people we wish to be our friends around the world, to avoid the proliferation of weapons or to improve their practices on human rights, they will say, "Well, what about all the people you have in prison, and what about your murder rate? What about the things that go wrong in America?"

This is becoming a very small world. But in the end, it is clear that the strength of every nation beyond its borders, fundamentally, is rooted in the ability of nations to be strong within their borders. And in a great democracy like ours, that means that we have to have a country where we're moving forward and where we're coming together, where we are not divided by age or gender or race or region or walk of life, and where there is a sense of fairness and a strong sense of the future.

When I ran for President, I did it because I thought we needed to change our direction,

to get the country moving again, and to pull the country together again. We meet at a time when the country is showing persistent signs of economic improvement.

We just got this morning the information on growth for the first quarter of the first 3 months of this year. It was 2.6 percent; that's a moderate level of growth. But that follows 7 percent growth from the last 3 months of last year, and that is in spite of a very bitter winter. I also should tell you that, consistent with my commitment to bring the deficit down, Government spending went down, but growth in the private sector was over 4 percent, which is very, very brisk, indeed.

These are numbers on line with our projections for growth, and they're enough to keep the deficit moving down and job creation moving up. This is a very important thing: more jobs, more growth, lower deficit. Those are the things that I campaigned to the American people on. We have tried to face this difficult issue. After a decade and more in which the American debt quadrupled, in which the annual deficit tripled, by next year our deficit will be a smaller percentage of our annual income than that of any other advanced economy with which we compete. And I am very proud of that.

I say that as a prelude to discussing the health care issue, because it was not easy to pass the economic plan. I remind you, it passed by only one vote twice in both Houses. As the Vice President often reminds me, every time he votes in the Senate we win. *[Laughter]* The more you think about that, the funnier it gets. I hope I don't have to see him vote too often. *[Laughter]* It was not easy to do that. People said, well, the sky would fall, this would happen, that would happen. The truth is, the economic program, just as we said, raised income tax rates for the top 1.2 percent of our country, that this year, about one in six working Americans will get a tax cut because they're working, they have children, and they're hovering just above the poverty line. And we want to encourage them to work, not go on welfare. We want to reward their struggles to be good parents and good workers at the same time.

There are real, new incentives there for small businesses to reinvest in their busi-

nesses and lower their taxes—90 percent of the small businesses eligible for tax cuts under this program—real incentives for people to invest in the new technologies of the 21st century and relentless budget cuts. We eliminate 100 Government programs in our plan. We cut 300 more so we can invest more in education and technology and in the future of this country. These are important.

But I want to say, we are on this course because this administration took on a tough fight, won it by a narrow margin, and gave the country a chance to grow again and get out of the paralysis that had been gripping us.

Now we face such a fight in health care. And we have difficult decisions to make. People say to me all the time, "Why do you just keep taking on these things? Why don't you just stay with the economic program and tell everybody how well you did and let it go and work on that? Why take on tough issue after tough issue after tough issue?" I'll tell you why. Because, first of all, in the end, as a country, we cannot go forward economically and come together unless we recognize that all these issues are related one to another. And secondly, we will never have a sense of fairness and security which is necessary for us to be strong as a people until we deal with our thorniest difficulties: whether it's crime and violence or the problems with the tatters in our health care system. So I ask you to think about that today.

Change has always been difficult. And over the last six decades, every President, or most Presidents, at least since Franklin Roosevelt, have sought to do something about the health care problem. Roosevelt and Truman, Johnson and Carter and Richard Nixon all tried to find a way to provide for universal coverage so that everybody could have health care security. And always along the way, the interest groups who were afraid of the change were able to block it.

At the same time, a lot of good things happened. Franklin Roosevelt created Social Security, and we are keeping it strong and we are continuing to do that. In this session of Congress, I am convinced that the Congress will vote for a bill, and I will sign it, to set up Social Security as an independent agency that will be able to do the things that need

to be done. Within the next few years, every American will get a statement every year of their Social Security account, what they have paid in, what has happened to the money, what the benefits should be coming out. This is of fundamental importance, and it has changed our country for the better forever.

President Kennedy and President Johnson worked to create Medicare. And it has done a world of good. People complain about Government medicine. Well, Medicare is a private program in the sense that you choose your doctors and your providers, but it's paid for with a payroll tax. It has an administrative cost of about 3 percent, which is dramatically lower than the administrative costs of the 1,500 different insurance companies with their thousands of different policies, creating nightmares of who's covered and who isn't. So, Medicare has worked pretty well. But we should also note that, even there, there are problems. We built Social Security and Medicare on the fundamental belief that work should be rewarded, that when people do their part as Americans they are entitled to something in return. I was raised to believe that. The idea for younger people was that if you worked hard and you got a good education and you did the right things, you would have a better standard of living than your parents.

The idea for older people was that we would eventually find a way to make one's later years not shrouded with the threat of poverty. And in 1985, for the first time since we have been keeping such numbers, there was a lower poverty rate among people over 65 than among people under 65. It was a great achievement brought about by decades of effort.

But still, it is impossible to avoid the conclusion that over the last 20 years, the link between work and reward has begun to weaken, partly because of the loss of high-paying manufacturing jobs that Americans could get with hard work but without a lot of formal education. That meant that, for two decades, more and more Americans worked harder for the same or lower pay. And as health care benefits at work began to erode or began to cost more, that also drove down the standard of living. Now we know a family can lose its home or its savings if there's a

serious illness. And we know that 81 million of us live in families where someone's had a preexisting condition so that they either can't get health insurance or they pay way too much for it or they can never change their job, because if they do, they'll lose their health insurance.

At the same time, even the pillars of our health care system, like Medicare, have shown some strains with the cost of Medicare going up at 2 and 3 times the rate of inflation. And still, now you have people over 65 paying a higher percentage of their income out-of-pocket for health care than they did in 1965 when Medicare came in.

So for us to sit here and say that there is nothing for us to do on health care or we need to be just doing a little here and a little there and leave large pockets of this issue unanswered, it seems to me is a flight from responsibility, responsibility to our children and grandchildren, and responsibility to our parents and grandparents.

I have tried to reestablish the connection between work and reward, between shoring up work and shoring up the family, between all the different peoples in this great country to build a stronger American community. That's why I worked so hard for the family and medical leave act; I didn't think you ought to have to lose your job if you had a sick parent or a newborn baby, and why I believe in—[*applause*—]and it's why I believe in things like the tax cut we gave to the working poor and people on moderate incomes.

We have somehow got to find a way in this country, in the midst of all of these international global economic pressures, not only to generate more jobs but to give our people who are working and are doing the right thing a greater sense that they're part of a community in which they can have fairness and security if they do their part.

So a lot of what is behind this health care reform effort is designed to do that. And yet, in order to do that, as with every community effort, everyone has to pay a part and play a part. Today, millions of working families are being short-changed by this health care system. It is stacked against them. Today, so many millions of Americans are subject to the fine print in insurance coverage. They

are denied coverage because of preexisting conditions; they can have their benefits cut off because of lifetime limits just when they need it most. Three out of four Americans are under health insurance policies with lifetime limits, which is just fine if you have a normal experience in you and your family. But if you have a couple of kids in a row with very serious conditions, or even one who is fortunate enough to live but is terribly ill, you can run out of those benefits when you need it the most. And no one is immune. Millions of Americans have coverage for themselves at work but no coverage for their spouses or children simply because their employers cannot afford it under the present system.

Now, this is not because there are a lot of bad people in this system, it's because the system is nonsensical. There are many fine insurance agents, for example, that do the very best job they can giving insurance to the small business that they provide coverage for, the 20- or 30- or 40-person small business; they give them the best deal they can. It's just that they can't give them a better deal when small businesses are insured in small pools and one serious illness, one AIDS case can bankrupt the pool. You can't ask people to go into this enterprise and lose money.

The problem is it is poorly organized. It is organized in a way that is guaranteed to have excessive administrative costs, unlimited problems from a bureaucratic standpoint, and huge numbers of people who have no coverage or inadequate coverage.

Now, that's what people have to face in this country today. As has been noted by many politicians in campaigns in the last couple of years, if a person goes to jail, they get guaranteed health care. If a person goes on welfare, you get guaranteed health care. If you get out of jail and take a low-wage job or you get off welfare and take a low-wage job, you may be paying your taxes to provide health care for the people who are still in jail or the people that have to be on welfare, but you lose your own.

Now, how anybody in the wide world can defend that is beyond me. And some people would say, "Oh, Mr. President, that's not fair. I don't defend it, I just don't want you to

change it if I have to play a role in it." [Laughter] I think every one of us would agree that our children deserve the opportunity to grow up in an America that is strong and fair, an America that gives our young people the opportunity to strike out continuously for new jobs or take a different opportunity in a different city, an America that at least recognizes that in this global economy the average 18-year-old will change jobs seven or eight times in a lifetime and, therefore, we have a vested interest as a people in seeing that all those folks are well-trained, continually retrained, and never denied the opportunity to change simply because of the absence of health care for themselves or their children.

There are some people who say, "Well, okay, this is a problem, but the President's wrong about how to solve it. We should not ask all employers to make some contribution to their employees' health care. And for those employees that have no health insurance at all, we should not ask those employees to do it in just that way in this partnership."

Now, keep in mind, 9 out of 10 people who have private insurance get it through the workplace. And 8 out of 10 people who don't have any insurance are in families with at least one person working. So my proposal is not a Government takeover of the health care system, it is to extend the system that we have now that has worked for many, is beginning to work for more as big groups of employers are able to control their costs. I just want to take that and apply it to everyone.

But there are some who say, "Well, that's not right." Instead of asking employers to take responsibility, they say we ought to either raise taxes or take money from Medicare or do both to help working families without insurance.

Now, I don't think that's such a hot idea. I do think we can save money from the Medicare program because it's going up to 2 and 3 times the rate of inflation. But if we save money from the Medicare program, since it's paid for by payroll taxes under the understanding it will go to the benefit of the elderly people in this country, that savings ought to be put into providing for community-based, long-term care and prescription drugs for elderly people.

Again, people say to me who disagree with this, "Well, but we can't—we don't want to face the heat or we can't somehow get the votes together to ask all employers to make a modest contribution to their employees' health care. And so isn't this the second best thing." And my answer is no. Why? We have studies that show that all of us would be better off over not just the long-run, but the medium-run, if elderly people who use 4 times the prescription drugs that non-elderly people do had access to a prescription drug benefit on Medicare.

Why should a person—again, this goes back to the welfare and jail analogy—if you're in your senior years and you have worked hard and you've saved all your life and you've provided the best you can for yourself, why should you be forced to spend yourself into poverty to qualify for Medicaid to get prescription drugs? I just don't think it's right.

And of course, we know that's usually not what happens. What usually happens is people just don't get all the prescription drugs they should have. That's usually what happens. And so what happens then? We're being penny wise and pound foolish. We save a little money as a country for a while. We avoid these expenditures and then, sooner or later, the consequences of not following the prescribed medical treatment are felt, and the person often has a much more expensive problem going to the hospital. You can spend more money in 3 days in the hospital than on a year of rather expensive prescription drug treatment. So, we would actually save money, and there are studies which show this.

Secondly, with regard to long-term care, I think it's important to note that people over 65 are the fastest growing part of the population—and within that group, people over 80 are growing faster still—that all of us have a vested interest in seeing that all of the rest of us live as long and as well and as independently as we can, but that if you look at the numbers, there is no way in the wide world we could afford as a society, nor should we, send everybody who needs some sort of help in long-term care to the most expensive long-term care, namely that in a nursing home.

So community-based, long-term care is—whether we deal with this or not now—we

can run away from this and pretend that this whole problem is like an ingrown toenail we don't want to deal with. But if you look at the population trends of this country, we will be forced to deal with this sooner or later. We cannot walk away from this. The numbers are clear. The numbers of us and our parents who will be alive and well and doing well and sharp as a tack in their eighties, but who will need some form of long-term care in their eighties, many times in their nineties, are going to be overwhelming. We must not walk away from this.

So I say, if we're going to bring some rationality to this system, if we're going to have more competition, if we're going to allow people to buy health care in bigger groups and so that there'll be all kinds of ways we can save money, take the Medicare savings and prepare the way for a better life for our senior citizens and a stronger society for all of us by putting it into prescription drugs and long-term care. Don't use it for coverage.

Let me also say again that in order to do this, we are going to have to find a way to cover the people who don't have health care coverage now. Under our plan, we do two things. We ask all employers who don't provide coverage now or who provide very limited coverage to pay a fair share of a comprehensive package that includes primary and preventive health care benefits. We also ask workers who have no coverage now or have inadequate coverage to pay a fair share of that. And for small businesses with low average payrolls, we offer discounts in those premiums so that no business will go broke. Now, it seems to me that is a fair thing to do.

In addition to that, we provide ways for small businesses and self-employed people to join together in big pools so that they can buy health care at the same prices that those of us who work for the Federal Government or people who work for big businesses can.

Now, I have heard all this business about—the big attack on our program is that Government is trying to take over the health care system, and it's one-seventh of the economy. It's just not so. That is not what this plan does. This plan does not even finance the coverage of people without coverage through Medicare, which most Americans

think is a pretty good deal, and they forget it's a payroll tax. But otherwise, it's a totally private system.

All we do is to build on what has worked now by saying, let's have all employers do something for their employees. Let's have the employees that don't have any insurance provide something for themselves. Let's give discounts to people who are most vulnerable, the small businesses with low average payrolls, and then, let's put everybody in big pools so they can afford to buy health care at decent prices. That is the fundamental outline of our plan. It makes a lot of sense.

And I am convinced that it is the best thing for the future. Because of the way we raise funds and because of the savings that will come to very large companies under this plan, we ask them to help to contribute, along with a rising cigarette tax, to the discount fund, to increases for medical research, and for improvements in public health, because there are so many people, particularly in rural areas and some inner cities who wouldn't have access to health care, even if they had insurance, without stronger public health and because we simply cannot turn away from our obligation to keep America in the forefront of medical research.

Now, let me just say what will happen if we don't do this. What will happen if we don't do this is that you will have more and more people every month losing their health insurance, you'll have more and more people in small business being angry and frustrated because they'll have higher deductibles and higher copays and less coverage than others, and the system will slowly, slowly, slowly start to creak. Now, right now there is a lull because medical inflation has dropped so much. Medical inflation has dropped so much because a lot of folks have gone into these big pools and are buying better—buying health care on better terms and because, frankly, medical inflation always goes down when the President starts talking about covering everybody. It's happened every time it's happened, every time this has ever occurred.

But if you look at the long run, it is clear that we have to do it. And let me just say another word, and again, I know I'm preaching to the saved on this issue, but this long-term care time is a big deal. We can't provide

this—all this coverage overnight. You know we phase it in gradually. But if you think about the number of people with Alzheimer's, you think about the need to provide for respite care for family caregivers, just in that one case, this is going to be a huge deal. If we want to encourage people to keep their loved ones at home, we're going to have to give them a break so they can do it and not neglect all their other family responsibilities and not neglect the quality of their own lives.

I also want to say something about another group of Americans, and that's the millions of Americans with disabilities. We know that if you make two changes in the health care reform system, if you provide long-term care in community-based settings to people with disabilities, as well as the elderly, you provide for community rating so that people with disabilities don't have to pay a whole lot more and their employers don't have to pay a lot more to insure them because they're all in huge pools, we know that we're going to get something out of that as a society. That will make it possible for millions of disabled people to live more fruitful, fuller lives, more productive lives, to contribute not only to themselves but to the rest of us as well. And believe me, they will pay back what it costs the rest of us to have long-term care and insurance reforms. They will pay it back, because they will go to work, they will earn money, they will pay taxes, they will make this a stronger country. And we need them—we need them to do that in this country.

I want to say again how grateful I am to all of you for your help. I'm grateful for the legacy that's been left to us by people like Arthur Flemming and my great and departed friend Claude Pepper, and so many others who have worked for the reforms that have gone before. We just have to decide whether we're going to follow in their footsteps or to be defeated once again by the forces of inertia.

Sure this is a hard fight. And you can't change this system without breaking some eggs. That's what omelettes require. [Laughter] But I do want to make again the main point: Don't let anybody tell you this is a Government-run program; it's not. It's an extension to the system we have now with private insurance and private health care. Num-

ber two, what the Government does is to require everybody to do something, so that everybody will have some coverage, and then to give small businesses and self-employed people the opportunity to get together so that they can buy on the same terms people in big businesses and Government can. Number three, we provide funds for a discount pool for the small businesses and people on low wages so they can get a discount in those small businesses so they won't go broke. And we provide a pool for funds for medical research and technology and for the major teaching institutions of the country so we can stay ahead of the rest of the world and lead the world in the development of medical science and medical technology, something I think you all want us to do. We organized this system so that we can begin to provide a prescription drug benefit for people who need it and community-based, long-term care. That's what the Government does. It seems to me that is an entirely appropriate thing for the Government to do. It is entirely consistent with what has happened before.

I want to make two other points. No one who has a better deal than the deal in our health care system need lose it. We do not set a ceiling. So for the working people out there whose employers pay all their benefits, they can go on and do it. We don't set a ceiling, but we do set a floor below which people cannot fall. And that is important.

The second thing I want to say is we do not restrict choice, we increase choice. We give choice of providers back to the employees themselves. And we let them make it, a choice from at least three different kinds of plans every year. And every year they get to revise their choice if that is what they wish to do. If we do not pass this plan, then the trend which exists in the American work force today will continue, where today, already, fewer than half the Americans who are insured at work have a choice of providers. That is the case today.

So there is an air of unreality about a lot of the debate, and I think it's important to cut through. But the truth is, the big debate on Capitol Hill is over whether all American employers and their employees who either have no insurance today or woefully inadequate insurance will have to assume some

responsibility for providing this health care, even though they will get discounted prices if they're small businesses with low average payrolls.

Now, I say that to this group to make this point: I want you to go to Congress and lobby for long-term care. I want you to go to Congress. I want you to go to Congress and lobby for the prescription drug benefit. But if we do not sell the fundamental point, which is that we don't cover everybody and provide health security to all because unlike all the countries with which we compete we have not adopted one of the very few options available to cover everybody, if we don't do that, then we won't get to the prescription drugs and the long-term care. If we don't adopt this fundamental statement of our responsibility to each other, to the working families, to the children, and to the future of America, then we won't get to step two. It is setting in place a system in which finally, finally we join the ranks of the other advanced nations and say, "We are going to give health security to all families. That little child does never have to worry about whether there will be health care." If we don't do that, we don't get to the next steps.

And so I ask you, lobby this Congress. Go back home and lobby your friends and neighbors, tell them that the rap on what we're trying to do, that it's some Government takeover of health care; that it's some bureaucratic nightmare, is just not so. That when you get down to the bottom line, we are asking everybody to take some responsibility for the health care security of country. That is, after all, how we finance Social Security, how we finance Medicare. Everybody took responsibility for doing the adequate thing so that all of us could go forward together.

This is a great test of whether we are going to sensibly face one of the most significant human problems, one of the most significant financial problems that we will ever face. It is defining us as a people. Do we have the courage to do this? Or are we once again going to say, "Well, this is something everybody else can do, but we can't figure out how to do it." I want you there when we sign a bill to provide health care security for all Americans. But you have to make sure we can do it.

Thank you, and God bless you all.

[At this point, James Sykes, chairman of the board, National Council on Aging, announced that Hillary Clinton is the 1994 Ollie Randall Award recipient and asked the President if he would deliver it to her.]

The President. Now, this is a mission I can fulfill. [Laughter]

Jim, let me thank you and all of you, for this award. It is one I know that Hillary will treasure. Selfishly, obviously, I think it's one she very much deserves. A lot of fine Americans have won this award, among them, President Johnson and my dear friend and colleague, Senator David Pryor. I can tell you that I have obviously known my wife a good, long while, and I think I know her pretty well. I have never seen her work as hard or care as much about anything she has ever done as she does this great endeavor. And the ultimate award, as I said, will be seeing your smiling faces when we sign the bill that is the cause of this effort. Thank you so much.

NOTE: The President spoke at 11:20 a.m. at the Washington Hilton. In his remarks, he referred to Daniel Thursz, president, National Council on Aging; Arthur Flemming, chair, Save Our Security; and Claude Pepper, late Congressman and senior citizen advocate.

Exchange With Reporters on Departure From the Washington Hilton Hotel

April 28, 1994

National Economy

Q. Have you had a chance to look at the—numbers?

The President. I'm positive about it.

Q. Do you think it calmed the market fears about inflation?

The President. It certainly should. You look at this—the job numbers are still very good. This is the job numbers for the 4 years before our administration. Here are the private sector job numbers just for January of '93 through March of '94.

So this rate of growth is enough to keep the deficit coming down and jobs coming into the economy. And it certainly should send a clear signal to the markets saying we don't have an inflation worry.

I think that if you look at the pattern of the last few years, this means we'll have growth in the range of 3 percent this year, which means more jobs, steadily growing economy, more and more opportunity. So I feel good about it. But it ought to also send a clear signal that inflation is going to be at or below 3 percent. There is no inflation worry in this economy.

Social Security

Q. So why separate the Social Security Administration? Why is that necessary?

The President. Oh, I think that, first of all, that the administration will tend to work better. The reinventing Government program under the Vice President almost recommended it. But there has also been a feeling, I think, among the constituencies of the senior citizen groups for years that if the Social Security Administration were separate, that would help to guarantee the integrity long-term of the Social Security program, the Social Security fund, and that there would be more responsiveness to the specific concerns of people on Social Security.

And I'll just give you one—we're going to start, as soon as we can, on a limited basis sending out statements to the American people. But within the next 4 or 5 years, we'll be able to send out statements to everybody in the country every year on their Social Security account: here's what you've got in it; here's how much money it's earned; here's what you can look forward to getting out. It will be a statement that every American who's stockholder, if you will, in Social Security will get every year. And it's all part of this effort to ensure that Social Security is there well into the next century even though our population is aging.

Q. Is the integrity—

The President. No, it's not at all.

NOTE: The exchange began at 12:08 p.m.