UC Irvine

CSD Working Papers

Title

Health Policy and Economic Security: The 2003-04 Peltason Lecture

Permalink

https://escholarship.org/uc/item/6wf2j6vb

Author

Kennedy, Edward M.

Publication Date

2003-10-24

CSD Center for the Study of Democracy

An Organized Research Unit University of California, Irvine www.democ.uci.edu



Thank you Chancellor Cicerone for that generous introduction, and thank you Jack and Suzanne Peltason, Professor Dalton, Mayor Agran and all of you for this great honor.¹

Jack and Suzie Peltason have devoted their lives to the understanding of democratic institutions, and played such a vital part in making this campus the great university that it is today. It is fitting that this is called the Peltason Lecture on Democracy. And I am especially grateful that the

Peltasons could be here tonight.

It is a privilege to be here with all of you at this distinguished university. They say universities are such great storehouses of knowledge, because every student entering school brings a little knowledge in, and no graduate takes any knowledge out. But I know that is not true here at the University of California, Irvine, home of Peter the Anteater.

America at its best has always been a nation of great promise and unlimited possibility. Generations of Americans have shared this optimism, even as they have waged their own struggles for social justice and equal rights and greater opportunity here at home, and for a role in the world that reflects these basic values and respects other peoples in other lands.

Over our history, we have learned that no government can afford to lose sight of the fundamental truth that the struggle for social justice and for a better life and better world is never done.

1

¹ The Peltason Lecture was delivered on October 24, 2003. The William and Flora Hewlett Foundation and the Irvine Health Foundation generously provided support for this Peltason Lecture.

As Robert Kennedy told the students at the University of Cape Town in South Africa in 1966: "Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, these ripples build a current which can sweep down the mightiest walls of oppression and resistance."

In our own day and generation, we have seen walls of oppression and resistance crumble in our own land and in many other nations. To no small extent, we are able to talk today about the family of nations because of all we have done to bring free nations together for the greater good of all peoples everywhere.

We have not always done that wisely or well, and we now seem to be on a dubious course in the world that leaves much to be desired. The end of the Cold War a decade ago gave us unrivaled power in the world, but that very power is also the root cause of our current difficulty, because we have not yet learned to use it wisely or well. The great danger, as Lord Acton warned a century ago is that "power tends to corrupt, and absolute power corrupts absolutely."

The dilemma we face now in Iraq frames the problem. We won the war as we knew we would. But the way we won, by waging it alone, without the support of the world community, has made it far more difficult to win the peace. As we all know, the situation there remains extremely serious. We continue to lose more and more troops almost daily. We have lost far more soldiers since the President flew out to the aircraft carrier on May 1 and declared "Mission Accomplished" than during the few weeks of major combat.

The mission is far from accomplished. Terrorists are sabotaging the reconstruction effort, lashing out in every way they can. U.S. casualties continue to rise. The forces arrayed against us are increasing the intensity and sophistication of their assaults and at the same time the Iraqi population is becoming more and more restless.

We should never have gone to war in Iraq when we did, in the way we did, for the false reasons we were given. As a result of our diplomatic failures, other nations refuse to join us, and our troops are being asked to serve longer tours of duty under grueling conditions. More and more reservists, who now make up almost 50 percent of our presence in the region, are being called up, with no end in sight. 85 percent of all coalition troops on the ground are

American, and we are taking 85 percent of the casualties, and 87 billion dollars is not going to change that.

It is time for the Administration to admit that it was wrong, and turn in a new direction. We need a genuine plan that acknowledges the realities on the ground and offers a realistic prospect of creating a free and peaceful Iraq and bringing our troops home with honor.

It is essential to involve the international community as an active and equal partner in the political transition of Iraq. We need to give the United Nations a central role. The Administration's decision to go back to the United Nations was a first step, but it will be meaningful only if the Administration is genuinely changing its policy. The real test will be whether the Administration is now willing to make the compromises necessary to persuade other countries to contribute troops to relieve our soldiers and bring stability to Iraq. The jury is still out on whether the Security Council resolution marks a real shift by the Administration.

We need to give greater priority to sharing power with the Iraqi people and the United Nations during the reconstruction and help lay the groundwork for approving a constitution and hold national elections. In Afghanistan, we obtained the support of the international community for an interim government. There was no American occupation. That process can still work in Iraq, although it would have clearly worked better from the start.

We know from the experience of the past decade in Bosnia, in Kosovo, and in other devastated lands, that we can enlist the international community in a major way. We can share responsibility and authority, draw on the strengths and the diversity of the United Nations, achieve security and reconstruction, and an end to the occupation. It makes no sense to try to bypass the United Nations by enticing a few receptive nations to join us if the price is right.

No one doubts that the United States should remain in charge of the military operation. But internationalizing the reconstruction is not a luxury; it is an imperative. Sharing authority with the United Nations to manage the transition to democracy will give the process the legitimacy it so urgently needs, and gradually dispel the current stigma of occupation – especially if it is accompanied by the creation of a more fully representative interim governing council to deal with day-to-day administrative responsibilities.

We need to actively engage the Iraqi people in governing and rebuilding their country. The Administration is wrongly working from the top down, rather than the bottom up, to rebuild Iraq. A new Iraq will emerge neighborhood by neighborhood, town by town, and

province by province. Our soldiers now risking their lives in Iraq deserve no less. How can any Republican President of the United States disagree that government must be of the people, by the people, and for the people?

Here at home we face serious challenges as well. When our troops in Iraq return, we want them to come home to jobs and opportunity, to better schools for their children and decent health care for their families. Instead, our troops are coming home to a stagnant economy. More than 3 million jobs have been lost because of the recent recession—the greatest number since the Great Depression. The unemployment rate is over 6%.

In the past three years, the well-being of American families has declined at an alarming rate. Ask most Americans how their lives have changed in those years, and they will tell you. Declining job security. Disappearing retirement savings. Plummeting school budgets. Soaring tuition for college. Skyrocketing health care costs and prescription drug costs. Massive federal budget deficits threatening the future of Social Security and Medicare, and massive deficits facing California and virtually every other state.

The Administration points to the reconstruction projects being undertaken in Iraq–schools refurbished, roads repaired, communities rebuilt—\$87 billion dollars worth in the coming year, while here at home, we shortchange priorities in education and health care in the name of shared sacrifice. But the sacrifice is not being shared. A handful of wealthy Americans are enjoying million-dollar tax breaks, while most Americans are getting the cold shoulder. Make no mistake; the funds now being spent in Iraq are having an effect on the well-being of millions of Americans.

The request for \$87 billion is an enormous sum. It is more than the combined budget deficits of all 50 states for 2004. It is 87 times what the federal government spends annually on after-school programs. It is 2 years' worth of unemployment benefits. It is 7 times what President Bush proposed to spend on education for low-income schools in 2004. It is 9 times what the federal government spends on special education each year. It is 8 times what the government spends to help middle and low-income student go to college. It is 15 times what the government spends on cancer research. It is 27 times what the government spends on substance abuse and mental health treatment. It is 58 times what the government spends on community health centers.

The choices we make on our economy speak clearly about our values, especially our commitment to social justice and equal rights. We are learning the hard way that prosperity cannot be sustained in our nation over the long term unless it is accompanied by greater social justice.

The President signed the "No Child Left Behind" education reforms into law with great fanfare last year. Congressman George Miller of California was a principle leader in achieving the breakthrough, and its important reforms are clearly needed to improve the nation's schools.

The fundamental principles in the "No Child Left Behind Act" are the right reforms for our schools. We know these reforms will work, because their effectiveness has been proved again and again in a wide variety of schools across the nation.

We know that all students are capable of greater achievement when standards are raised. This summer we hear it again—SAT scores are rising, because more young people are now taking challenging courses at a younger age.

We know that high-quality assessments can diagnose the learning needs of students and provide the foundation for specific reforms and greater school improvement. Tests alone are not the answer, but they clearly show the way.

We know that a fair way to hold schools accountable can lead to higher performance for all students, and help close the achievement gap. That is what we are doing in Massachusetts, and there is no question that it is working.

We know that reforms such as better teacher training and smaller class sizes in underperforming schools will lead to greater student achievement. We have seen that happen in North Carolina, Tennessee and elsewhere across the country.

But most of all, we know that it takes additional resources to achieve any of these successes – and the need is greatest in the poorest communities that serve the neediest children.

But this year, the Administration proposed to <u>cut</u> funding for these reforms by \$1.2 billion. It would leave behind nearly 6 million needy children, and leave half a million students out of after-school programs that keep them off the streets and out of trouble. It proposes no additional funds for teacher training. No additional funds for smaller class sizes. No additional funds for Head Start, even though 650,000 needy young children are on Head Start waiting lists.

College is often out of reach as well. For too long, the doors of higher education have been closed to too many qualified students, because they cannot afford the cost. This year and next, double-digit tuition increases and tight education budgets in the states will make it harder to realize the hope of a college education. Here at Irvine, I understand that tuition increased 19% this year.

Just as Social Security is a promise to every senior citizen, so we should make "Education Security" a promise to every young American. If you work hard, if you finish high school, if you are admitted to a college, we should guarantee that you can afford the cost of the four years it takes to earn a degree. Surely, we have reached a stage in America where we can say it and mean it—cost should never again be a disqualification for college.

Fulfilling these commitments will require new resolve by everyone involved–families, colleges, states, and the federal government. Families should pay what they can afford. Colleges should commit to keeping tuition increases down. States should continue as much support as they can for students in hard economics times. And federal support should make up the gap that remains.

In these modern times, we must recognize that learning is a lifetime enterprise and education is the golden door to opportunity for all, and we cannot allow it to stay closed for any in our society.

On healthcare, as well, the crisis continues to fester. The 43 million Americans without health insurance and the millions of senior citizens waiting for relief from skyrocketing prescription drug costs deserve better, and we all know it. Minority health disparities continue to fester, yet we refuse to give needed priority to training more minority health professionals.

Few domestic needs are more pressing than to assure affordable health care for the American people. In this modern age of breathtaking medical miracles it is a national disgrace that, for so many Americans, the quality of their health is measured by the quantity of their wealth. The cost of our neglect is staggering in terms of human suffering, the loss of creative abilities, and avoidable expenses for medical care and long-term care.

Two and a half million more Americans are without health insurance today than there were two years ago. One in ten small businesses that offered their employees health insurance three years ago no long do so today.

We know the devastating effect of the lack of insurance on health outcomes. The uninsured use fewer preventive and screening services and have higher rates of mortality and disability than those with insurance. Beyond the obvious health effects, this lack of coverage leads to fewer working days and lower earnings. Uninsured children have poor school attendance and low achievement and less development.

The average cost of health insurance is rising at double-digit rates – up by 11% in 2001, 13% in 2002, and 14% so far in 2003. The health care squeeze on working families is getting tighter and tighter.

Hopefully, California's recent action is a sign of new progress. Under the new California Health Insurance Act, large and medium-size businesses must pay into a fund to provide health coverage for their workers, or pay 80% of their premium costs. Its goal is to establish the basic principles that every job should provide not only the ability to earn a living, but also to meet the health needs of your family. It holds employers accountable for meeting the health needs of their workers, but gives them the flexibility in how they want to meet them. It is an excellent start to providing coverage for every Californian, and I hope we can expand it to help all Americans.

We can cut rising costs as well by improving health care technology. Health care is one of the least efficient industries in America. Administrative costs consume more than 40 cents of every health dollar. Processing a single transaction can cost as much as \$25. Other industries have cut similar costs to less than a penny a transaction by using modern information technology, and the health care industry can do it too.

We also need to invest in better preventive care, and do more to see that the best standard of care is also the usual practice of care. Diabetes for example, afflicts one in five Americans and one in four Medicare dollars is spent on diabetes. But less than two percent of adults with diabetes receive a proper level of care. By using proven prevention and treatment, we can save more than \$50 billion and save 10 million Americans from diabetes-related amputations, disability, and blindness.

Another example is stroke. It is the third leading cause of death and we spend \$30 billion annually to care for stroke survivors. But with prompt treatment we can prevent the disabilities caused by stroke. Currently however, only three percent of stroke patients receive prompt and proper care.

Discoveries in the life sciences may well shape this new century as profoundly as discoveries in physics and engineering shaped the last one. Soon, damaged kidneys may not require years of dialysis. A scarred cornea may not mean blindness. A crushed spine may not lead to a lifetime in a wheelchair. Malfunctioning cells that cause diabetes, Parkinson's disease, or Alzheimer's disease may be replaced with healthy ones. Nearly half of all persons in nursing homes in the United States today suffer from Alzheimer's or other dementias. Investing in a cure for Alzheimer's would clear out many of our nursing homes, bringing fuller lives to millions and saving billions of health care dollars. The benefits can be immense in bringing fuller lives to millions of our fellow citizens and saving billions of health dollars.

We have so many pressing priorities, and with the right choices, they were within our grasp. We have made so much progress already that not only can we dream of universal health coverage, we can get there. Not only can we dream of full employment, where everyone who wants to work can find a job, we can make it happen as we did successfully in the late 1990s. Not only can we dream of a day where every child gets the education they deserve from birth, we can make it a reality if we continue to invest in our schools and our teachers, the real heroes of the 21st century.

Now, more than ever, we need a common purpose to unite us to achieve our goals at home and abroad. If we harness the spirit of American optimism, we can meet our goals and reflect our great values of justice and equality of opportunity in this new time. Thank you all again for this great honor, and thank you for all you do so well for the young men and women of this great state.

Senator Edward M. Kennedy has represented Massachusetts in the United States Senate since he was first elected in 1962 to finish the term of his brother, President John F. Kennedy. Since then, he has been re-elected seven times, and he is now the second most senior member of the Senate. Kennedy is the senior Democrat on the Health, Education, Labor and Pensions Committee in the Senate. He also serves on the Judiciary Committee, and the Armed Services Committee. He is also a member of the Congressional Joint Economic Committee, a founder of the Congressional Friends of Ireland, and a trustee of the John F. Kennedy Center for the Performing Arts in Washington, DC.