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NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE Friday, July 22, 1994

Contact: Clarkson Hine (202) 224-5358

## **HEALTH CARE & PIZZA HUT**

DOLE DEFENDS OUTSTANDING CORPORATE CITIZEN AGAINST MISLEADING ATTACKS: CRITICS' ARGUMENTS TOPPED WITH BALONEY

While I continue to believe that the health care debate is all about the search for solutions, there are some who think it's about a search for villains.

The American Medical Association...the insurance industry...hospitals...pharmaceuticals...all have had their motives questioned by the White House or their supporters.

And now something called "the Health Care Reform Project"

has launched a misleading and mean-spirited campaign against Hut. You heard me right. Pizza Hut. What is Pizza Hut's crime? Why do they deserve to be

singled out, dragged before a Senate committee this morning, and attacked in today's <a href="New York Times">New York Times</a>?

Well, Pizza Hut operates in Europe. And some European countries require by law that businesses must pay for health insurance to all of their employees. So Pizza Hut complies with the law.

American law is a little bit different -- at least for now. The government does not mandate that all employers pay for health insurance for all employees.

The Health Care Reform Project claims that Pizza Hut "thrives in Germany and Japan where health care taxes are mandated by law. Therefore, mandates will work here, too."

Effect of Mandates: Fewer Jobs, Higher Prices Let me take a minute to introduce the folks over at the

Project to something they're not too familiar with--the facts.

The fact is that the expense of the mandates in Europe have helped to prevent Pizza Hut from expanding, and helped to prevent them from hiring more workers.

With mandates, Pizza Hut has built less than 50 restaurants in Japan and Germany combined in the last five years.

Without mandates, Pizza Hut has built over 1,700 restaurants

in the United States in that same time period.

With mandates, Pizza Hut added only 224 jobs in Germany,
between 1992 and 1993. In the United States, they added 14,654 jobs.

With mandates Pizza Hut is forced to charge \$19 in Germany for a pizza that costs \$11 in the United States. In Japan, that same pizza would cost \$25.

Pizza Hut's Record of Leadership

It's also worth noting that Pizza Hut has been a leader in bringing health care reform to the United States restaurant industry. It offers health insurance to all of its employees in the United States -- full-time and part-time. It was the first restaurant chain to offer health care coverage to all its parttime workers.

Rather than a one-size fits all policy, however, Pizza Hut operates on a novel theory called choice. All full-time employees have a choice among benefit programs that fit their individual or family needs. Some choose health care coverage. Some don't.

In fact, when Pizza Hut offered health insurance to its part time employees--who comprise 95% of their payroll--less than 10% signed up. 70% said they already had coverage from parents, spouses, or schools. 10% said they didn't need insurance. And 10% just weren't interested.

I know the Health Care Reform Project is itching to make some more accusations, so let me save them the trouble. Yes, as the New York Times pointed out, Pizza Hut is headquartered in

Kansas. Yes, some Pizza Hut executives are my friends, and probably have contributed to my campaigns. In fact, some have suggested that this may explain why Pizza Hut--and not another member of restaurant industry--has been singled out for attack.

But I defend Pizza Hut not because it is headquartered in Kansas or because I know some of their executives and some of their employees. I defend them because they are an outstanding corporate citizen. And I defend them because they are right.

I don't know what company or industry will be next be attacked by the White House, the Democrat National Committee, or their allies, but from the arguments they use, I know that they like their pizzas with a lot of baloney.

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Remarks delivered on the Senate floor, approximately 9:45 AM ET.