Remarks in a Discussion on Strengthening Social Security in Shreveport, Louisiana
March 11, 2005

The President. Thanks for coming. Please be seated. Gosh, it’s good to be in a part of the world that I’m real familiar with. [Laughter] Pretty close to home. Sounds like to me some Texans snuck across the border. I’m delighted to be here at Centenary College—Bill Anderson, the chairman, and Ken Schwaub, the president. I want to thank the students. I thank the students who are here to listen. This is going to be an educational experience for you. I’ve got a lot of educating to do to convince people not only do we have a problem, but we need to come together and come up with a solution to Social Security.

But before I get there, I do want to recognize some people, and I’ve got a few comments about international politics, the world in which we live. First, I’m sorry Laura isn’t with me. [Applause] Yes, I know it. She’s great, isn’t she? She’s doing just fine. She’s going to be happy to know I saw our mutual friend Ernie “The Big Cat” Ladd who is here today. Cat, I’ll tell her I saw you, and you’re looking good. She’s looking good, too, by the way. [Laughter] She is a great First Lady and a great mom, and I love her dearly.

I’m real proud of the job Congressman Jim McCrery is doing. He’s one of the smartest, most capable Members of the House of Representatives. He said, “You make sure you get down to the district.” And I said, “Well, if I put you on Air Force One, will you come with me?” He said, “How fast can I get on the plane?” [Laughter]

Senator David Vitter is with us. David, proud you’re here. There are two other Members of the United States Congress with us today. Congressman Rodney Alexander—proud you’re here, Rodney. Rodney is from this part of the world and reflects the values of north Louisiana in the United States Congress. And Bobby Jindal—Bobby, congratulations. Thank you guys for coming. Proud you’re here. Looking forward to working with you on solving big problems for our Nation.

I want to thank Mayor Keith Hightower from the city of Shreveport for being here. Mr. Mayor, I’m honored you’re here. I appreciate you coming. Mayor George DeMent of Bossier City—thank you, George. Proud you two guys are here. Just fill the potholes. [Laughter] You didn’t ask for any advice. [Laughter] I want to thank all the other State and local officials who have joined us.

Today I met a fine young lady named Lindsey Allen at the airport. [Applause] A couple of her relatives showed up. [Laughter] Probably wondering why I would mention her. I’ll tell you why I mention her. She is a volunteer for Hospice of Shreveport/Bossier. She is a—she takes time out of her life to provide comfort for people who are sick. And the reason I mention this is I want particularly the college kids here to understand that if you want to serve your Nation, a great way to do so is to take time out of your busy life and love somebody who hurts. If you want to serve your Nation, mentor a child. If you want to serve your Nation, feed the hungry, provide shelter to the homeless, become a soldier in the army of compassion, and you can help change America. And I want to thank Lindsey Allen. Where are you, Lindsey? There she is. Thanks for coming, Lindsey, and thanks for being a volunteer.

The world is changing and the world is becoming more peaceful because more societies are listening to the people that live within their borders and are becoming democracies. Think about what’s happened in
a quick period of time. We defended ourselves. We upheld doctrine. We liberated millions from the clutches of the Taliban, and last fall, millions went to the polls to vote for a President. And that’s important. It’s important because free societies are peaceful societies. Palestinians voted. And I believe someday, I believe it’s within reach, that there will be a Palestinian democracy living side by side with Israel in peace.

And then the people in Iraq defied the murder of terrorists and said, “You will not intimidate us because we want to be free,” and by the millions, they went to the polls to vote for their leaders. And I’m not surprised. I’m not surprised, I was pleased but not surprised because I understand that freedom is not America’s gift to the world; freedom is the Almighty God’s gift to each man and woman in this world. And no tyrant and no dictator can extinguish the desire for people to live in freedom.

So during the next 4 years of my administration, I will use our considerable influence and work with our friends and allies to help others around the world realize their chance to be free because I understand freedom and democracy will make this world a peaceful place for generations to come.

I also want to say something about my trip to Europe. I had a great trip to Europe. I talked to our friends and allies there. I became—got a common agreement with the French, for example, to make it abundantly clear to Syria that the Syrian troops and Syrian intelligence officers must leave Lebanon so Lebanon’s democracy can grow and flourish. As well we worked together on the issue of Iran, to make sure that we speak with one voice to the Iranian regime, that they should abandon any ambitions for nuclear weapons for the sake of peace in the world. I am pleased that we are speaking with one voice with our European friends. I look forward to working with our European friends to make it abundantly clear to the Iranian regime that the free world will not tolerate them having a nuclear weapon.

A couple other points I want to make before we get to the issue at hand. I do want to talk right quick about the economy and one way to make sure this economy continues to grow. Last week we got news that we added 262,000 new jobs last month. That means more Americans are working today than ever before in our Nation’s history, and that’s positive news.

Our economic plans are working, but there’s more to do. And I gave a speech in Ohio earlier this week, and I made it clear to Congress: Stop debating about energy and get me an energy plan that encourages conservation, environmentally sensitive exploration for natural gas and hydrocarbons here in the United States. Let’s encourage renewable sources of energy. Let’s use taxpayers’ money to explore ways to have clean coal technology. What I’m saying to you is, is that we need to get moving on becoming less dependent on foreign sources of oil.

And I want to thank McCrery and Vitter and Bobby and Rodney for their work on this important issue. It’s my belief, if we keep talking about the issue of energy independence, we’ll get us a bill. And we’ll get us a bill that makes sense for all Americans.

Now I want to talk about Social Security. It’s a big issue. It’s a big issue because it affects everybody’s life. First, let me start off by telling you, FDR did a good thing. Franklin Roosevelt did a good thing when he set up the Social Security system. You know why I say that? I say that because it’s helped a lot of retirees. It has worked. It has worked, and therefore, one of the things that I want to tell the people here in this audience and all across Louisiana and in east Texas and whoever else is listening: If you’re getting a check, nothing will change; if you have retired, not one thing is going to change when it comes to Social Security. The United States Government will keep its commitment. I don’t
care what the advertisements say. I don’t care what the political pamphlets say. I don’t care what the politicians say. Nobody is going to take away your check.

But the math has changed since Franklin Roosevelt was the President. When they set up the system, there was a lot of workers paying into the system for every retiree. As a matter of fact, in 1950, there were 16 workers for each beneficiary. That meant the system could work. It’s a pay-as-you-go system, by the way. People pay in, and the money goes out to pay for the benefits. Some people say, “What about the Social Security trust,” as if the Government collects your money and holds it in your account and then, when you retire, gives it back to you. That’s not how it works. The Government collects your money, and they spend it. [Laughter] And they spend it on retirement benefits, but they were spending it—or we spent it on other things too.

Since the 1950s, a couple of things have happened. People are having fewer babies, and the baby boomers are getting ready to retire. I happen to be one. As a matter of fact, I turn 62 in 2008. That’s a good enough time for me to retire—[laughter]—just about right timing. And there’s a lot of me—people like me. There are a lot of baby boomers. I’m just the beginning of the baby boomer year. There’s a whole lot of people getting ready to retire, and we are living longer than the previous generation and the previous generation. So you’re beginning to get—when I said the math is changing, I hope you’re beginning to get a picture of what I’m talking about, more retirees, living longer, plus we’ve been promised more benefits than the previous generation; a lot of people getting paid more benefits, living longer years, and fewer people paying into the system.

And that means we’ve got a problem. Today, there is—3 to 1 paying into the system. In 20 years, there will be two workers for every retiree. Means when you’re working, you’re having to pay a lot more for me than previous generations. And so what ends up happening is, in 2018, as you can see on that chart, the system goes into the red—in other words, more money going out than coming in. And it goes worse every year. In 2027, it’s going to cost $200 billion for the Government to fund the promises to the baby boomers like me. That’s 200 billion above the payroll taxes we’re collecting. And every year it gets worse.

So if you’re a younger person sitting out there, you ought to start to say, “My goodness, the system doesn’t look very good for me.” It’s fine for seniors. It’s fine for those who are near retirement. It is not in good shape for the people who are going to have to pay for the baby boomers who are fixing to retire. And so I’ve seen the problem. And I think it’s a significant enough problem to put it square in the agenda. My job as the President is to confront problems and not pass them on to future Presidents and future Congresses.

And that’s why I’ve come to Shreveport, Louisiana, to explain it as plainly as I can, in plain Texan, that we have a problem. And the problem is, how is the younger generation going to pay for all of the promises that the Government can’t keep? Major tax increases, significant benefit cuts, that’s what’s going to have to happen unless we act now. People say, “Well, 2018 is a long way down the road.” Well, it’s not. It is right around the corner. It is close by. It means it is time for people from both political parties to set aside our partisanship and come to the table.

And so in my State of the Union Address, I stood up and said, “All options are on the table.” I said, “If you’ve got a good idea, bring them forward. I’m interested in listening to them.” I said, “If you’ve got an idea as to how to permanently fix Social Security”—we don’t need a bandaid approach; we need to fix it once and for all so we can say to the American people, “We have done our duty”—“bring forward your ideas.”
Tim Penny here is on the stage. He is a former Democrat Congressman. You’re going to hear him talk. He has had some good ideas. I’m interested in any idea, and I put out some of my own as to how to permanently fix it and how to make sure the system is as good as it can be for youngsters. And one of them is to allow young workers to put aside some of your own money in a personal savings account.

And let me tell you why I think that’s important. First of all, that unto itself is not going to fix Social Security. We need to do more than that. But it is a way to say to younger workers that you’re going to be able to come closer to the benefits that have been promised to you, because by putting money aside, you will be able—in a private account, private markets, investing in the private markets, you’ll be able to get a better rate of return on your own money than the Government could get on your own money. And as that rate of return compounds, as you save, your account grows bigger and bigger and bigger. If you’re a worker making $35,000 over your lifetime, and this plan says you can take 4 percent of your payroll taxes and set it aside, having invested in conservative stocks and bonds, you will have a capital base of $250,000 in your personal account. That’s how interest works. It compounds. It grows.

Now, people say, “What does that mean, a personal savings account? Can I take the money and go right down to the road where I was staying in this part of the world and put it in the slots?” [Laughter] You can’t do that. In other words, there is a set of investment vehicles, conservatively designed, to get a better rate of return than what your money’s getting in the Social Security system, but you get to choose a mix of stocks and bonds.

We’ve done this before, by the way. Federal employees get to do this. Federal employees get to take some of their own money and put it in an employee Thrift Savings Plan that grows, that compounds with interest. It’s happening. People know what I’m talking about. This isn’t a new concept. The only thing new is that it will be a part of the Social Security program.

Now, once you retire, you can’t take all your money out at once. You hold that money in an account, and you get the interest from your—from the corpus of your account, to complement the Social Security check, however big that is, that the Government pays you. So in other words, it’s a part of the Social Security system, retirement system.

And let me tell you some of the benefits of this. First of all, you own it; it’s yours. The Government can’t take it away from you. You know what brings joy into my heart? When I hear that more minority families own a home now than ever before in our Nation’s history. I love the fact that more people are owning something. There are more business owners. Small businesses are flourishing across America. When people—when a person owns something, they have a vital stake in the future of the country. When somebody opens up an account that says, “Here’s your stocks and bonds, and here’s how they’ve been growing over the last quarter,” people will say, “Well, I think I better pay attention to what the Government is doing to make sure that they put policies in place that will make the economy grow.”

Secondly, you can pass this account on to whomever you choose. It’s yours. Social Security system right now, as you’ll hear, isn’t fair for people who pass away prior to age 62. The money just goes away. But under this plan, you’ll have an asset base, something you own, something you can leave to whomever you choose.

Thirdly, I like the idea of families being able to pass wealth from one generation to the next. And I think it ought to be in families all across the—all kinds of families ought to be able to do this. You know, there’s this kind of sense about, “Well, this may not work because some people aren’t
capable of investing," as if the investor class was only a certain type of person. That’s not what I agree with. I agree—I think that everybody is plenty capable. I think that everybody ought to be given the opportunity to save their own money and put it aside as a part of the Social Security trust.

Finally, it makes sense to encourage savings in America. The more savings we have, the more capital there is for growth in the economy. One of the things we’re going to have to be careful about is not saving enough money. The capitalist system works by encouraging savings, so there is capital to invest, so that small businesses can flourish, so that the entrepreneurial spirit stays strong. And so this is an idea that I think Congress needs to consider, and I put it on the table. And I expect people to come to that table in good faith to discuss not only my idea but their ideas.

Now, I’m having a good time traveling around our country. I like to get out of Washington frequently. [Laughter] I’ve been to this—last couple of days I’ve been to Tennessee and Alabama and Kentucky and now Louisiana. I’m heading home for dinner. [Laughter] Next week I’m going down to Florida—check on the brother. [Laughter] After that I’m going to go out of Crawford, and I’m going to head out west to Arizona and New Mexico and Colorado. The reason I’m telling you this is I want everybody involved in the process to know that I believe the American people are going to determine the fate of this issue, and I intend to take my message out week after week after week so the people can hear it.

Tim Penny is with us, the great State of Minnesota. Served in the United States Congress and is, you’re about to hear, an articulate advocate of making sure the Social Security system is reformed and modernized.

Tim, welcome.

[At this point, former Representative Timothy J. Penny, senior fellow and co-director, Hubert H. Humphrey Institute Policy Forum, Waseca, MN, made brief remarks.]

The President. Well, I appreciate that. I think—as I told you, the guy is articulate, and he’s sensible. It’s a commonsense approach. Thanks for coming, Tim.

All right. Gwen Comer. Welcome. Gwen Comulyn Comer. Thank you, Mr. President.

The President. Good to see you.

Ms. Comer. Thank you. Good to see you. The President. Now, they tell me—you’re not—you didn’t sneak across the border, did you?

Ms. Comer. Yes, I sneaked across. No one was looking. [Laughter]

The President. You’re from close to Jefferson, Texas.

Ms. Comer. Yes. Gray is about 20 miles east of Jefferson.

The President. One of the great parts of my home State is east Texas, by the way.

Ms. Comer. Yes.

The President. Tell us about yourself.

[Ms. Comer, retiree, Gray, TX, made further remarks.]

The President. See, it’s interesting. Listen real carefully to what she said. She said her husband worked for 40 years, passed away, and his money just—their savings, the money he worked hard to earn on their behalf is gone. Now, she’s going to get Social Security as a result of her job. But that money just isn’t around. And had he had the chance to put money aside in a personal account, that personal account would have been passed on to her as part of their family’s asset base.

Ms. Comer. That’s right.

The President. Is there any doubt in your mind that you’re not going to get your check?

Ms. Comer. No, indeed.

The President. That’s important for people to hear. I understand a lot of people
around the country, a lot of people in Louisiana, a lot of people in Texas rely on that Social Security check.

Ms. Comer. That’s right.

The President. And it frightens people to hear political people like me talking about the issue, because they’re thinking, “Well, really what he’s saying is he’s giving me a warning, the Government is not going to give me my check.” That’s what some of the ads were. I did get elected, and people got their check. I want you to remind your neighbors of that.

You got any grandkids?

Ms. Comer. Yes, sir.

The President. How many grandkids?

Ms. Comer. My husband and I were blessed with four children. We have 12 grandchildren and 6 great-grandchildren. So we’re blessed.

The President. Sure are. See, this is a generational issue. I’m here to put more and more people on who’ve retired, saying, “Now that you’ve comforted me, you better take care of my grandchildren.”

Ms. Comer. That’s right.

The President. That’s an important issue. And I want the seniors here to understand that this issue is really about your grandchildren, and we want your advice on how best to make sure that the system works for your grandchildren. There’s a lot of grandparents who, when they hear the math, realize that the numbers are going to be pretty significant when it comes time to either raising taxes or doing whatever is needed to make the promises and that now is the time for Government to take care of the next generation. Social Security has worked for this generation. It really has. And the fundamental question is, can we make it work for the next generation coming up? That’s the task at hand. That’s the issue.
have they got a plan to make sure that I don't get—what I need to live on?'' That's—a lot of folks are asking that question.

Now, I'm going to say it here again, and I'm going to say it all around the country, because this is the—as Tim said, the truth: You're going to get your check; the Government will honor this commitment. What I can't tell you we're going to be able to honor is our commitment to your son and your grandchildren. I can tell you we'll honor our commitment to you. But I cannot make that promise until Congress comes together with the administration to make the promise to the children and grandchildren of this good woman. But thank you for asking me that question again.

Ms. Lyons. Thank you, Mr. President. I am deeply concerned about my children, grandchildren, and great-grandchildren.

The President. Yes, I don't blame you, particularly after you listen to the facts.

Why don't you introduce your son? Was he a good boy growing up?

Ms. Lyons. Mr. President, he was.


Ms. Lyons. This is my son, Bishop Larry Brandon. He's pastor of the Praise Temple Full Gospel Baptist Church of Shreveport, Louisiana.


Bishop Brandon made brief remarks.

The President. Yes, let's stop there for a minute, because this is an important part of helping introduce people to financial literacy. I mean, there's programs all over the country. People say, "Well, there's—certain people can't invest. They just don't know about it," or "It's risky if we let certain people invest." But the way to tackle the issue is not to deny people the great aspect of ownership but to reach out to faith organizations, community-based organizations, and help people become financially literate. We shouldn't run away from ownership. We ought to provide the means to encourage ownership, and I want to thank you for that.

Bishop Brandon. Thank you. Thank you.

The President. Let's face it. Let's face it square on. There are some neighborhoods in which financial literacy has not been passed on from one generation to the next. And we've got to break that cycle. We've got to do a better job. Mr. Pastor, thank you for taking that on, and I'm glad to know the Government is working with the faith-based community to reach out into all neighborhoods in Shreveport, Louisiana, and elsewhere to help people become more financially literate. Keep going. [Laughter]

Bishop Brandon made further remarks.

The President. Right, right. Let me talk about a couple of things. We're working on the retirement aspect of Social Security, but one way to make sure that the survivor benefits are whole and intact is to give a person the opportunity to develop an asset base that you can pass on to whom ever you want. That is a tangible asset. It's not a promise; it is a tangible asset to pass on to whomever you want. That's one of the major differences between the Social Security system that I envision and the current system. And so there will be a survivor benefit aspect to Social Security, but it will be enhanced by this notion of asset accumulation.

And secondly, his question is a good question, and that is, is it possible to design a system that makes it more fair for people who are impoverished? Can we work with Congress to make this system as progressive as possible? And the answer is, absolutely we want to work with Congress to do that. We want the retirement system to be a solid safety net for all our citizens.

I've talked to Jim McCrery about this. He's got a compassionate heart. He understands the ability to make the system work for all. And so I want to thank you for bringing that up, Pastor. My attitude about
this is that if people have got a good idea as to how to make the system work toward—to help make sure people don’t end up in poverty at retirement, please bring their ideas forward. All ideas should be on the table to make this system permanently solved, not a 35-year fix or a 75-year fix, which never turns out to be a 75-year fix, by the way.

Let me remind you, when you hear the rhetoric “75-year fix,” in 1983—and Tim was in Congress then—they worked on solving the problem of Social Security. They said, “Well, we’ll put together a 75-year solution.” That’s 1983. Well, we’re sitting here in 2005. It didn’t make it very long. That’s because the demographics are changing dramatically, and we’ve got to address the math to permanently fix it. So I’m not interested in band aids, 75-year fixes. I want there to be a permanent solution to Social Security.

Sarah Joy Hays, representing the youth of America, as you can see, at least on this stage. [Laughter]

Sarah Joy Hays. That’s a lot of pressure.

[Laughter]
The President. You can handle it.

Ms. Hays. Thank you.

The President. You attend?

Ms. Hays. Louisiana State University.

The President. LSU—I was honored to give the graduation speech there last year. Tell them thank you.

Ms. Hays. Will do.

The President. Why are you sitting here?

Ms. Hays. Well, I’m a senior in communication studies. I graduate next December. And I currently work part-time at the Gap. And every couple weeks—[laughter].

The President. Probably going to give me some advice on my clothes.

Ms. Hays. We’ll save that for later. [Laughter]

The President. Okay.

Ms. Hays. Every couple of weeks, about $40 is deducted from my paycheck, and that’s going into Social Security. But I’m afraid that with the system as it stands right now, that will not provide a safety net for me when I’m ready to retire.

The President. We’re happy you’re putting in the 40 right now, aren’t we?

[Laughter]

Ms. Hays. You’re welcome. [Laughter]

The President. The question is, will there be something for you?

Ms. Hays. Exactly. And with your new reforms, I think that this is a positive thing for my generation especially, and I think it will also give us incentive to study economy and to know what’s going on around us as well as educate us in how to invest our own money wisely.

The President. Yes, it’s amazing, you know, there is—a lot of people are learning what it means to invest their own money, 401(k)s. I presume people out here have got a 401(k). That’s a defined contribution plan. That is your money. You’re watching it grow. You’re investing it, and it becomes your—part of your retirement package.

The younger—I don’t remember, when we were coming up, talking about 401(k)s. I certainly don’t remember worrying about whether or not Social Security would be solvent, either. It was taken for granted. And now, all of the sudden, we showed up on the ledgers saying, “Give us our checks, starting in 4 years.” And so what Sarah is saying is she’s not so sure her generation can carry the load, particularly since there’s going to be two workers for every me, every retiree.

You know, they asked a 21-year-old—one time a 21-year-old person told me, she said—and I think this came out in a survey—that you’re more likely to see a UFO than get the Social Security check. [Laughter] Is that the way you’re—

Ms. Hays. I think that’s probably a safe consensus on how we feel.

The President. Well, it’s an interesting concept, when you think about it. Once we assure the seniors they’re going to get their checks, and grandparents start asking elected officials, and Sarah Joy starts asking elected officials, “What are you going to
do about us?” See, that’s where the debate is going to be headed. Because you’re going to get your check if you’ve retired. It’s the people coming up that are starting to ask the question. And one of the reasons I asked Sarah Joy to join us, because she’s representative of a lot of people. They said, “Oh, don’t worry, 21-year-olders don’t pay attention to this.” I don’t think it’s true.

Ms. Hays. Neither do I.

The President. That’s good. You got any other wisdom?

Ms. Hays. Well, I’ve been imparted some wisdom by some student government presidents. I’ve been working on executive staff at LSU for the past couple of years, so I’ve been blessed to be a part of that system.

The President. So people are talking about this.

Ms. Hays. Yes, sir.

The President. That’s important. And they’re going to keep talking about it, because I’m going to keep talking about it. I want people to understand, people who are 21 years old, that you’re facing a steep hill to climb if the Government doesn’t act. And there’s a lot of talk in Washington about, you know, “Bush brought this up. Why did he bring it up?” And I told you why I brought it up. But I also believe this. I believe when the people figure out we have a problem and seniors hear that nothing’s going to change, woe to the politician who doesn’t come to the table; woe to the person who tries to block this for partisan reasons. The people of this country want problem solvers, not problem creators. They are unhappy with the status quo. It’s time to come together and save the Social Security system for generations to come.

I’m honored you gave me a chance to come to Shreveport, Louisiana. May God bless you, and may God continue to bless our country.

NOTE: The President spoke at 1:45 p.m. in the Gold Dome at the Centenary College of Louisiana. In his remarks, he referred to William G. Anderson, chairman, board of trustees, and Kenneth Schwaub, president, Centenary College of Louisiana; Ernie “The Big Cat” Ladd, former professional football player and wrestler; and Gov. Jeb Bush of Florida.

Statement on the Anniversary of the Terrorist Attacks in Madrid, Spain
March 11, 2005

On March 11, we remember the lives lost one year ago in Madrid.

The bombings in Spain were a grim reminder that there are evil people in the world who are willing to kill innocent life. The terrorists hate and target every country that stands for democracy, tolerance, and freedom. They kill the innocent—children and their mothers on a commuter train—without conscience or mercy.

The world is united in our determination to defeat global terrorism. We share a common faith in the value of freedom and the sanctity of life. We will continue to fight terror and advance freedom so that the world will be more peaceful.

For those who lost loved ones on March 11, it has been a year of sorrow and a year of healing. I join all Americans in sending our expressions of sympathy and solidarity on this solemn day of remembrance.

May God bless the people of Spain and the souls of the departed.