

Kendrick, lead general partner, Arizona Diamondbacks; Robert and Mary Schindler, parents of Theresa Marie Schiavo, Florida hospice patient who was receiving nutrition and hydration by tube until it was withheld

by court order on March 18; former Senator Bob Dole; and Robert C. Pozen, former member, President's Commission to Strengthen Social Security.

Remarks in a Discussion on Strengthening Social Security in Denver, Colorado

March 21, 2005

The President. Thanks for coming. Thanks for the warm welcome. Thanks for greeting me and Senator McCain. He's up here to claim some water, he said. [*Laughter*]

Audience members. Oo-o-oh!

The President. Never mind. Just an inside joke that didn't work. [*Laughter*] But we appreciate you coming today. We're going to have a serious dialog on Social Security. It's an issue that requires a lot of dialog and a lot of discussion. And so I want to thank our panelists for joining us. I want to thank you all for your interest in this subject.

Before I begin, I do want to thank Governor Bill Owens and Frances for joining us today. Good to see you all. Congressman Bob Beauprez is with us. Good to see you, Congressman. Thank you, sir. Congressman Joel Hefley from down the road is with us. Lieutenant Governor Jane Norton is with us. Thanks for coming. The attorney general of the great State of Colorado is with us; thanks for coming, General Suthers. Mark Hillman is with us; Joe Stengel is with us; a lot of people are with us. We appreciate you being here.

I hope you've been as impressed by the spread of freedom as I've been. We believe in America that freedom is not America's gift to the world, but it's the Almighty's gift to every person in the world. That's what we believe. And we shouldn't be surprised. I know some of us were surprised, but we shouldn't be surprised when people

are willing to take risk for freedom. If you believe that freedom is etched in every person's soul, then you understand why, in Afghanistan, for example, millions of people, after having been freed from the Taliban, were willing to go to the polls, were willing to say, "We're free, and we want to exercise our right."

The same thing happened in Ukraine. The same thing happened in the Palestinian Territories when they voted for President Abbas. I believe he's committed to democracy. I believe the march of freedom will extend to the Palestinian Territories so that our friend Israel will have a partner in peace, a true democracy in the Palestinian country.

John recently went to Iraq. He was telling me what amazing place Iraq now is. How many times you been there? Two or three times—twice. Things have changed, and things changed not because, necessarily, our decisions; things changed because of courageous Iraqis that were willing to go to the polls in the face of incredible threat, but they wouldn't be denied because people do want to be free.

And it's important for the youngsters here to understand that the march of freedom will yield peace, the peace we want. Free societies are peaceful societies; free societies are hopeful societies; free societies are the best way to defeat the dark vision of the terrorists. And so for the next 4 years, I look forward to working with

friends and allies to continue the march of freedom for the sake of peace.

I appreciate the fact that the unemployment rate here in Colorado is 4.9 percent. The environment—entrepreneurial environment here is strong, and that is good. We've got to keep policies in place to make sure our economy grows. I am concerned, I know you're concerned, about the price of gasoline. You're beginning to see the fact that we haven't had an energy policy in the United States at the pump. I know we need to encourage conservation. I know we need to find alternative sources of energy. I hope someday we can use biodiesel to make us less dependent on foreign sources of energy. I know we need to use our technological capacities not only to protect the environment but to make us less dependent on foreign sources of energy. I know we need to modernize our electricity grid.

In other words, Congress needs to stop debating the energy bill. I know what we don't need—with the price of energy the way it is, I know we don't need tax breaks for oil companies. What we need is an energy plan in order to make sure this economy continues to grow. Congress needs to pass the bill.

But today we're going to talk about Social Security. It's an issue that some are saying, "Why would you want to talk about Social Security? It's a tough political issue." I believe, John believes, people here believe that now is the time to confront a problem, not to pass it on to future Presidents and future Congresses. I mean, if you see a problem, I believe it is incumbent upon a leader to confront that problem.

And let me tell you what I think the problem is. The problem is Social Security has changed since the day that Franklin Roosevelt first thought of it. It has changed because a lot of baby boomers like me are getting ready to retire, and we're living longer, and we've been promised more

benefits, but fewer people are paying into the system. We're having less kids.

In 1950, 16 workers were paying for every beneficiary. Today, 3.3 workers are paying for every beneficiary. When younger people start getting ready to retire, it's going to be two workers paying for every beneficiary—fewer people paying for more baby boomers like me, who are living longer and have been promised greater benefits. What's changed is the math. What hasn't changed is the importance of having a good retirement system.

Franklin Roosevelt ought to be applauded for putting a safety net in place for our seniors. This President and the Congress—many in the Congress understand that safety net has got a hole in it. And we're here to talk about how to mend the hole. You see, when you see a problem, I think it's necessary to confront the problem. Because there's fewer workers paying into the system, the Social Security system will go into the red in 2018. That means more money will be going out than coming in.

Now, you probably think—some of you may think there's what they call a Social Security trust: The Government collects the money for you; we hold it for you; and when you retire, we pay it to you. But that's not how it works. You pay your payroll tax; we pay for the people who have retired; and if there's any money left over, we spend it on Government. That's how it works. And what's left is an empty IOU, a piece of paper. Because it's a pay-as-you-go system, when more retirees start retiring, who are living longer, getting paid more, more money starts going out than coming in. In 2027, that deficit will be \$200 billion, and growing greater every year. From 2018 to 2042, the deficits increase every year, the amount of money going out relative to the money coming in. And that's the problem.

We're fine. I'm going to say it once; I'm going to say it as many times as I can: Seniors here in this audience and listening

on TV must understand, nothing changes; you're going to get your check. When you hear us talking about Social Security, you must understand that nothing will change for you. For those of us born prior to 1950, the system will not change. The fundamental question is, how—what are we going to do about the next generation coming up? Are we going to saddle them with a huge deficit in Social Security?

Now, that's why I went to the Congress during the State of the Union and said, "We've got a problem." I spent a lot of time describing the problem, but I also said I'm willing to listen to any solution. I'm willing to say, "You've got an idea, bring it forward." As a matter of fact, I think I might have been the best President—first President ever to say, "Here are some ideas for you." First President—[laughter]—no, no, no, forget the "best" part. [Laughter] First President. Forget it. Just because you've got a cowboy hat doesn't mean you can stand up and yell. [Laughter] Thank you.

I said, "Put all ideas on the table." It doesn't matter if it's a Democrat idea, Republican idea. I'm interested in solving the problem, and I'm interested in solving it permanently. We don't need a temporary fix.

Earlier today in Arizona we were talking about the fact that in 1983, President Reagan and Tip O'Neill and Bob Dole and others stood up and said, "There is a problem. Let's come together." And the spirit was an important spirit. But they said it was a 75-year fix at the time. And because the math has changed—baby boomers like me getting ready to retire, living longer, getting bigger benefits—because that changed, we're now talking about the issue 22 years later. It wasn't 75 years; it's essentially less than 75 years.

So you may hear some of them say, "Well, we've got a 75-year fix for you." In my judgment, that's not good enough. Now is the time to come together to fix

this problem for generations to come, permanently.

I've got an idea that I think ought to be considered. You've heard a lot about it. It's called personal savings accounts. It wasn't my idea. As a matter of fact, this is an idea that's a part of 401(k)s, for example. You get to set aside some of your own money; you manage it in a conservative mix of bonds and stocks. It wasn't my idea. As a matter of fact, the Federal Government thought of this a long time before I did, and that is Federal workers ought to be allowed to take some of their own money and set it aside in a Federal Thrift Savings Plan where you can invest it in a series of bonds and stocks.

And the reason why people thought that was a good idea is because they understand that you can get a better rate of return on a conservative mix of bonds and stocks than you can if your money is held by the Federal Government. And that rate of return is important for the individual worker, because over time, that grows. It grows; it compounds. It's called the compounding effect of interest.

Now, let me give you an example. If you were to allow a worker that made \$35,000 over his or her lifetime to take a third of their payroll taxes and put it in a personal savings account and invest it in a conservative mix of bonds and stocks, by the time that person retired, that money would have grown to be a quarter of a million dollars. In other words, that's how interest grows. That's how money compounds over time.

Now, when it comes time to fixing the Social Security system, you got to understand the Government can't keep the promises it made to young workers. And so one way to allow young workers to get a better deal from a permanent fix in the Social Security system is to let them take some of their own money and watch their own money grow, to be a part of a retirement system. In other words, you're going to get a check from the Social Security system.

They can't tell you how much yet. But you know you can get a check plus your own asset base if you allow people to have a personal savings account.

Secondly, I think it's important for a society to encourage ownership. I love the idea that more people are owning a home than ever before in our society today. I like it when I hear somebody say, "I own my own business." The entrepreneurial spirit is strong in Colorado. We got more people owning their own business. I think it makes sense to encourage people to manage their own asset base through the Social Security account. I like the idea of people opening up their quarterly statement and saying, "Well, here's how—here's my—here's what my worth is." Watching something grow—certainly make people more interested in the fiscal decisions of the Federal Government when they watch their own assets.

I like the idea of saying that you can have your own asset and you can pass it on to whomever you want. I don't think the system is fair for a couple who are working all their lives, and the husband dies early, and the wife has got either survivor benefits or her own Social Security benefits, whichever is higher, but not both. Think about that kind of system. Both of them work their life—we met a woman today whose husband died at 55. He had worked 30 years of his life, put money in the Social Security system. Upon his death, she got no benefits because she wasn't 62. They did pay \$255 of burial benefits. He worked all his life; the wife gets \$255 out of it. She retires at 62, gets a bigger check than the survivor benefits. And so the husband's contributions in the Social Security have just gone away.

That's not a fair system. A fair system said that this younger worker, at the time when he was younger, should be allowed, upon his choice—this is a voluntary program, by the way; the Government is not making you set aside money; you can do it if you want—should be allowed to set

aside some of his money, in this case. It grows. Upon death, the money goes to the wife. That's fair. It's an asset.

A couple of points I want to make, and then we're going to turn to the panel. Laura told me, "Don't talk too much." [Laughter] She's obviously failed. By the way, she's doing great. She's a fabulous woman.

People say, "What are these—what does this mean, investing?" Well, you can't put it in the lottery. In other words, there's a prescribed investment portfolio, just like the Federal employees do. There's a conservative mix that will get you a better rate of return than what your money is getting at the—in the Federal Government.

Secondly, when you retire, you can't pull all your money out. In other words, it's there to help you retire. The capital stays in place, and you live off the interest plus whatever the Social Security system can afford.

But thirdly, you can leave it to whomever you want, and your heir can liquidate your personal account. That would help the widow, for example, or a child getting ready to go to college, if the mom or dad dies. In other words, this is a way to not only encourage ownership, but it's a way to encourage asset formation for the families of America. We want more people—more people from all walks of life being able to say, "This is my asset, and I choose to leave it to my son or daughter."

Lee Abdnor is with us. Every panel has got to have an expert. In this case, we've got a lot of experts—except for me and McCain—[laughter]—the best Senator. [Laughter] Lee, tell us what you do.

Leanne Abdnor. Thank you, Mr. President. My name is Lee Abdnor, as you said, and I'm from Boulder, Colorado.

The President. I know some people from Boulder.

[At this point, Mrs. Abdnor, former member, President's Commission to Strengthen Social Security, made brief remarks.]

The President. One of the interesting things, Lee—I thought it was interesting to watch this Commission work. Unlike some parts of Washington, this Commission actually said, “We’re not here to promote a political party; we’re here to help solve a major problem.” And it’s that spirit—Senator Moynihan did a fabulous job, by the way, of leading this Commission—God rest his soul. But he said, “Look, we’re not here to promote any individual person or candidate or party; we’re here to do our duty as Americans.” It is the spirit of this Commission—in other words, people can sit at the table saying, “I want to hear your idea; bring forth your idea. Every idea ought to be considered.” It’s that spirit that now needs to take hold in Congress. The American people don’t want to see partisan bickering on this issue. They want to see people come together and solve it once and for all. And I want to thank you, Lee, for being here.

Somebody who understands that—somebody who understands the spirit of working together is John McCain, the Senator from Arizona. Thanks for coming, Senator.

Senator John McCain. Thank you, Mr. President. Thank you all for coming today. It’s a pleasure to be here to visit our water. And I thank you for the opportunity. [Laughter] Remember, we have so little water in Arizona, the trees chase the dogs, so please send as much as you can. [Laughter] I’m very happy to be with all of you today. Let me just if I could—

The President. Trying to get back?

Senator McCain. Pretty good, huh? Not bad.

The President. It’s the tree and the dog thing that got us. We’re trying—[laughter].

Senator McCain. I have more. [Laughter]

[*Senator McCain made further remarks.*]

The President. Good job, John. Thanks. Ready, Norm? All right. Norm Mossoni—glad you’re here, Norm. Where do you live?

Norman Mossoni. I live in Louisville, Colorado. I was born in—I was born and raised there, and I’m still there.

The President. Really? You were born in Louisville how many years ago, if I might ask?

Mr. Mossoni. Well, not many, back in 1919, somewhere.

The President. Nineteen hundred and nineteen—that’s a long time ago. [Laughter] Do you get a Social Security check? You qualify. [Laughter]

Mr. Mossoni. Absolutely. And actually, Mr. President, it is a kind of a significant part of my retirement program, along with the other things that I was fortunate enough to be aware of and prepare for, so that it is not a full pension; it’s a cushion. You’ve got to have something else.

The President. Right. But you’re counting on it?

Mr. Mossoni. Absolutely.

The President. There’s a lot of people like Norm counting on their check. And I understand that; and John understands that; Members of Congress understand that. Social Security is important for a lot of people, and as this debate goes on, I want the people who depend upon Social Security to understand, you’re going to get your check. Is that—I hope you understand that, Norm.

Mr. Mossoni. Oh, I absolutely understand it. [Laughter]

The President. Because if you didn’t understand it, then I’m not making myself clear. [Laughter] And I’m going to keep making myself clear until people—the seniors of this country can relax about this debate.

Keep going. You’re on a roll. [Laughter]
[*Mr. Mossoni made further remarks.*]

The President. He’s concerned about his grandchildren enough that he invited his granddaughter, Joleen. This is a generational issue, folks. The generation of Norm and my generation, you won’t have anything to worry about. But there’s a lot

of grandparents who, once they understand that, start saying to the Congress and the President, “How are you going to protect my granddaughter? What are you going to do about my children? What are you going to do about my grandchildren?” And that’s what this issue—this is a generational issue. This is an issue that recognizes the importance of—this generation understands the importance of Social Security. But we also understand we better do something about it for the generation coming up.

Joleen, thanks for coming. Twenty-one years old, sitting right here with the President and the Senator, right on the stage.

Joleen Mossoni. Thank you, sir.

The President. You are a student, where?

Ms. Mossoni. I’m a student at the University of Colorado, a junior studying political science.

The President. Good. Yes, well, this is a little political science exercise right now. This is called taking the message to the people—[laughter]—because I believe the people will influence the outcome of this debate.

Here’s your chance to influence the outcome of the debate.

[*Ms. Mossoni made further remarks.*]

The President. Right. Well-spoken. Somebody told me about a survey once that said 20-year-old Americans believe they’re more likely to see a UFO than get a check. [Laughter] It’s an interesting dynamic, isn’t it? [Laughter] Think about the political dynamic there. Once seniors realize nothing is going to change for them, 20-, 30-, 40-year-old Americans are going to have an enormous say in this debate. You need to say loud and clear, “We got a problem. Are you—do you have the political will to fix it for me?”

And I appreciate the idea. I tell you another interesting thing. I know when McCain and I were coming up, we weren’t talking about personal accounts or investing our own money. But there is an interesting culture in America. There’s a 401(k) cul-

ture. There’s a group people who are now used to managing their own money. There’s a lot of personal involvement in the marketplace from people of all walks in life.

We’re not trying to invent something new. We’re trying to take what has become a reality and extend it to a Government program. Seems like to me that 401(k)s are working. A lot of people like them. A lot of people are comfortable with them. Why don’t we take that same concept about giving workers the option of taking some of their own money and investing in the market so, as John said, they can get a better rate on their own money. It’s not the Government’s money to begin with.

So thanks, I appreciate that very much.

Speaking about 401(k)s or 403(b)s, which is the 401(k) equivalent for the non-profits—isn’t that right, Tricia?

Thanks for coming.

Patricia Manley. Thank you.

The President. Tell everybody what happened 3 weeks ago.

Mrs. Manley. My husband, Chris, and I just had our first daughter, Morgan.

The President. Very good, yes.

Mrs. Manley. She’s 3 weeks today.

The President. She’s here.

Mrs. Manley. She is here, waiting to meet you.

The President. Good, looking forward to seeing Morgan. Oh, there’s Morgan. Look at her. Oh, yes. Tell Morgan not to worry, reform is on the way. [Laughter]

Go ahead, Trish.

[*Mrs. Manley, web strategy manager, National Jewish Medical and Research Center, Denver, CO, made further remarks.*]

The President. Yes, that’s an interesting thought. People need to listen—people in Congress need to listen. I know a lot of young Americans aren’t supposed to be paying attention to politics, they say; but they are. They’re beginning to understand that this is going to be a problem for generations to come unless we do something.

Now, are you—a 403(b), which is—which you invest in—some are probably worried about, “Do I have the capacity to invest?” There’s this concept of investor class in America, which means only a certain person is capable, kind of an interesting point of view. I, frankly, disagree with that. I totally reject that point of view. But in order to assure people—I mean, when you start looking at investment options, did you find it to be rocket science or something difficult?

Mrs. Manley. No, not at all. And, you know, same thing as with what you’re talking about. We have choices. You can’t just go out and dump all your money in the hottest tech stock. You’ve got a certain number of limited choices that it’s not going to disappear tomorrow.

The President. Yes. And you get quarterly statements?

Mrs. Manley. Absolutely.

The President. See, I think it’s—I think it would be a wonderful way to encourage people to pay attention to their Government, is to open your quarterly statement and say, “Look at this; look at my assets. They don’t seem to be going up so much; maybe we ought to change Presidents or something, you know”—[laughter]—or Senators, whatever the case may be. [Laughter] Too late, in my case, but nevertheless. [Laughter]

You’re on a roll. You’re doing great.

Mrs. Manley. At the end of the day, one of the things that’s attractive about the personal accounts is that even though we’ve been paying into the system and right now we may not see anything, under those accounts, we would at least get something back from what we’ve put in. And the other thing that I really like is that at the end of the day, there would be something for us to leave to Morgan.

The President. There you go. Thanks. Great job. Thanks for coming, Tricia. Congratulations. Looking forward to seeing Morgan. This will be the first time a President has kissed her. [Laughter] Looking

forward to it. I don’t know if she is or not, but I am. [Laughter]

Our final panelist is Randy Reed, one of the baby boomers. Randy and I—I’m 58; you’re 56.

Randolph Reed. Yes, Mr. President.

The President. I’m on the leading edge of the baby boomers. As a matter of fact, interestingly enough, my retirement age comes in 2008. [Laughter] Isn’t that convenient? [Laughter] Back to the trees and the dogs, right? [Laughter]

What do you do, Randy?

Mr. Reed. Mr. President, I have a custom picture frame store in Greenwood Village, Colorado.

The President. Your own business?

Mr. Reed. Yes, sir. I own my own business with my wife.

The President. Classic. She’s the boss and you’re the—

Mr. Reed. I just follow instructions.

The President. That’s good. [Laughter] Started your own business, owning your own business—classic American story, isn’t it. Making a living?

Mr. Reed. Yes, sir.

The President. That’s good. Why are you concerned, besides—you were born before 1950.

Mr. Reed. I was born—yes, Mr. President, I was born before 1950.

The President. You’re in good shape. Don’t worry about it.

[*Mr. Reed made further remarks.*]

The President. You know, I hear from a lot of small businesses, and they obviously take great comfort in knowing that at least we’re addressing the issue, trying to solve the problem. Can you imagine being a small business, like Randy’s, who puts a lot of money into the payroll tax—pays a lot of payroll tax, the company portion of payroll taxes, thinking that, “Well, maybe there won’t be a system for the people that I’m contributing toward.” And so one

of the things that will help the entrepreneurial spirit, at least help the small businesses to know, that we've got the courage to come together to reform the system so that your contributions will work. They'll do what they're intended to do. And part of the payroll tax—the personal accounts coming out of the payroll tax will obviously be a part of what he's contributing to a worker's—half of the worker's payroll tax.

And so this is a big issue for small businesses, folks. I mean, this is a very important part of making sure that the small-business sector remains strong, that we've got to solve this problem now.

You got anything else to add? Any wisdom? You want to sell a product or two? You got a chance here. [Laughter]

Mr. Reed. Yes. What I would like to say, though, Mr. President, is that I'm not looking for a bandaid effect to this. I'd like to see a permanent fix for the Social Security Administration.

The President. Yes, I appreciate you saying that. I think coming to the table—when we get people to the table, we're talking permanent.

I think that's the spirit of the Congress, don't you, John?

Senator McCain. Yes, sir.

The President. Yes. Listen, I hope you've enjoyed this as much as I have. I want to tell you something. You can influence the outcome of this debate; people here in the audience and people watching on TV can decide whether or not Congress hears the call—hears the call that Senator McCain issued, hears the call that I've issued, hears the call that panelists have issued, which is, "Look, we're concerned. We have a problem. Show us that you're capable of coming together to solve the problem."

My strategy is simple. I'm going to continue to travel this country making it abundantly clear, the nature of the problem, assuring seniors that they have nothing to worry about, because I understand once that sinks in, once people know we have a problem and seniors have nothing to worry about, the question from the people will—going to be, "What are you going to do to fix it?" And I'm more than willing to come to the table and listen to ideas.

Today we discussed some interesting ideas that will help make the Social Security system work better for the individual or, as John said, will help make the system connect to a young generation.

I hope—I'm confident that eventually the will will be there to get something done. I appreciate so much, Senator, your willingness to join in this issue. I love the spirit of somebody saying, "We're not going to pass this on. Now is the time to confront the problem. Now is the time to do our duty as elected officials."

Thank you for your interest in the subject. May God bless you all, and may God continue to bless our country.

NOTE: The President spoke at 4:44 p.m. at the Wings Over the Rockies Air and Space Museum. In his remarks, he referred to Gov. Bill Owens of Colorado and his wife, Frances; Lt. Gov. Jane Norton and State Attorney General John W. Suthers of Colorado; Mark Hillman, minority leader, Colorado State Senate; Joe Stengel, minority leader, Colorado State House of Representatives; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and former Senator Bob Dole. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on Signing Legislation for the Relief of the Parents of Theresa Marie Schiavo

March 21, 2005

Today I signed into law a bill that will allow Federal courts to hear a claim by or on behalf of Terri Schiavo for violation of her rights relating to the withholding or withdrawal of food, fluids, or medical treatment necessary to sustain her life. In cases like this one, where there are serious questions and substantial doubts, our society, our laws, and our courts should have a presumption in favor of life. This pre-

sumption is especially critical for those like Terri Schiavo who live at the mercy of others. I appreciate the bipartisan action by the Members of Congress to pass this bill. I will continue to stand on the side of those defending life for all Americans, including those with disabilities.

NOTE: S. 686, approved March 21, was assigned Public Law No. 109-3.

Remarks to Senior Citizens in Albuquerque, New Mexico

March 22, 2005

The President. Listen, thank you all for letting the Senator and I come by. We're thrilled to be—I'm thrilled to be back in New Mexico. You know, it's right across the border from right where I was raised. But I'm here today to talk about Social Security. I know it's of concern to you; it's of concern to me as well.

My message to people that are getting their Social Security check is pretty simple, and it's this: The Government is going to keep its promise. You just don't have to worry about it. I know there are some conflicting messages out there, but it's just not the truth. The truth is you're going to get your checks. The question is whether or not your grandchildren are going to get their checks. [*Laughter*] And that's what the Senator and I are here to talk about today, because we want to make sure that not only is the safety net solid for you but that there's is a safety net for your children.

People oftentimes ask me, did Franklin Roosevelt do the right thing with Social Security? And my answer is, absolutely. My

predecessor, Franklin Roosevelt, did the right thing in setting up the Social Security system. And now we've got to make sure the Social Security system works for generations. And that's why we're in town—that's why I'm in town; Pete is in town because he lives here. [*Laughter*]

But thanks for letting us come by. It's great to see you.

Audience member. It's great to see you.

The President. How was the egg?

Audience member. Marvelous.

Audience member. We have the best cook.

The President. Good.

Senator Pete V. Domenici. We don't get to eat, Mr. President.

The President. No, that's right; we've got to go work. [*Laughter*]

Audience member. Can I shake your hand?

The President. Yes sir, you can. Thanks for letting us come by.

NOTE: The President spoke at 8:18 a.m. at the Bear Canyon Senior Center.