

Text 2

SCHIEFFER: Mr. President, the next question is to you. We all know that Social Security is running out of money, and it has to be fixed. You have proposed to fix it by letting people put some of the money collected to pay benefits into private savings accounts. But the critics are saying that's going to mean finding \$1 trillion over the next 10 years to continue paying benefits as those accounts are being set up. So where do you get the money? Are you going to have to increase the deficit by that much over 10 years?

BUSH: First, let me make sure that every senior listening today understands that when we're talking about reforming Social Security, that they'll still get their checks. I remember the 2000 campaign, people said if George W. gets elected, your check will be taken away. Well, people got their checks, and they'll continue to get their checks. There is a problem for our youngsters, a real problem. And if we don't act today, the problem will be valued in the trillions. And so I think we need to think differently. We'll honor our commitment to our seniors. But for our children and our grandchildren, we need to have a different strategy. And recognizing that, I called together a group of our fellow citizens to study the issue. It was a committee chaired by the late Senator Daniel Patrick Moynihan of New York, a Democrat. And they came up with a variety of ideas for people to look at. I believe that younger workers ought to be allowed to take some of their own money and put it in a personal savings account, because I understand that they need to get better rates of return than the rates of return being given in the current Social Security trust. And the compounding rate of interest effect will make it more likely that the Social Security system is solvent for our children and our grandchildren. I will work with Republicans and Democrats. It'll be a vital issue in my second term. It is an issue that I am willing to take on, and so I'll bring Republicans and Democrats together. And we're of course going to have to consider the costs. But I want to warn my fellow citizens: The cost of doing nothing, the cost of saying the current system is OK, far exceeds the costs of trying to make sure we save the system for our children.

SCHIEFFER: Senator Kerry?

KERRY: You just heard the president say that young people ought to be able to take money out of Social Security and put it in their own accounts. Now, my fellow Americans, that's an invitation to disaster. The CBO said very clearly that if you were to adopt the president's plan, there would be a \$2 trillion hole in Social Security, because today's workers pay in to the system for today's retirees. And the CBO said – that's the Congressional Budget Office; it's bipartisan – they said that there would have to be a cut in benefits of 25 percent to 40 percent. Now, the president has never explained to America, ever, hasn't done it tonight, where does the transitional money, that \$2 trillion, come from? He's already got \$3 trillion, according to The Washington Post, of expenses that he's put on the line from his convention and the promises of this campaign, none of which are paid for. Not one of them are paid for. The fact is that the president is driving the largest deficits in American history. He's broken the pay-as-you-go rules. I have a record of fighting for fiscal responsibility. In 1985, I was one of the first Democrats – broke with my party. We balanced the budget in the '90s. We paid down the debt for two years. And that's what we're going to do. We're going to protect Social Security. I will not privatize it. I will not cut the benefits. And we're going to be fiscally responsible. And we will take care of Social Security.

SCHIEFFER: Let me just stay on Social Security with a new question for Senator Kerry, because, Senator Kerry, you have just said you will not cut benefits. Alan Greenspan, the chairman of the Federal Reserve, says there's no way that Social Security can pay retirees what we have promised them unless we recalibrate. What he's suggesting, we're going to cut benefits or we're going to have to raise the retirement age. We may have to take some other reform. But if you've just said, you've promised no changes, does that mean you're just going to leave this as a problem, another problem for our children to solve?

KERRY: Not at all. Absolutely not, Bob. with Tim Russert in 1990-something. We heard the same thing. We fixed it. In fact, we put together a \$5. 6 trillion surplus in the '90s that was for the purpose of saving Social Security. If you take the tax cut that the president of the United States has given – President Bush gave to Americans in the top 1 percent of America – just that tax cut that went to the top 1 percent of America would have saved Social Security until the year 2075. The president decided to give it to the wealthiest Americans in a tax cut. Now, Alan Greenspan, who I think has done a terrific job in monetary policy, supports the president's tax cut. I don't. I support it for the middle class, not that part of it that goes to people earning more than \$200,000 a year. And when I roll it back and we invest in the things that I have talked about to move our economy, we're going to grow sufficiently, it would begin to cut the deficit in half, and we get back to where we were at the end of the 1990s when we balanced the budget and paid down the debt of this country. Now, we can do that. Now, if later on after a period of time we find that Social Security is in trouble, we'll pull together the top experts of the country. We'll do exactly what we did in the 1990s. And we'll make whatever adjustment is necessary. But the first and most important thing is to start creating jobs in America. The jobs the president is creating pay \$9,000 less than the jobs that we're losing. And this is the first president in 72 years to preside over an economy in America that has lost jobs, 1.6 million jobs. Eleven other presidents – six Democrats and five Republicans – had wars, had recessions, had great difficulties; none of them lost jobs the way this president has. I have a plan to put America back to work. And if we're fiscally responsible and put America back to work, we're going to fix Social Security.

SCHIEFFER: Mr. President?

BUSH: He forgot to tell you he voted to tax Social Security benefits more than one time. I didn't hear any plan to fix Social Security. I heard more of the same. He talks about middle-class tax cuts. That's exactly where the tax cuts went. Most of the tax cuts went to low- and middle-income Americans. And now the tax code is more fair. Twenty percent of the upper-income people pay about 80 percent of the taxes in America today because of how we structured the tax cuts. People listening out there know the benefits of the tax cuts we passed. If you have a child, you got tax relief. If you're married, you got tax relief. If you pay any tax at all, you got tax relief. All of which was opposed by my opponent. And the tax relief was important to spur consumption and investment to get us out of this recession. People need to remember: Six months prior to my arrival, the stock market started to go down. And it was one of the largest declines in our history. And then we had a recession and we got attacked, which cost us 1 million jobs. But we acted. I led the Congress. We passed tax relief. And now this economy is growing. We added 1.9 million new jobs over the last 13 months. Sure, there's more work to do. But the way to make sure our economy grows is not to raise taxes on small-business owners. It's not to increase the scope of the federal government. It's to make sure we have fiscal sanity and keep taxes low.