

Set 1: bank, financi, crisi, mortgag, street, home, regul, wall

Set 2: sir, minut, pleas, respond, goe, sorri, ask, statement

Set 3: social, secur, trust, surplus, fund, promis, benefit, retir

Set 4: congress, night, littl, control, program, industri, interest, run

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GEORGE H. W. BUSH Well, the Social Security — youre an expert and I could, Im sure, learn from you the details of the Pension Guarantee Fund and the Social Security Fund. The Social Security system was fixed about 5 years, and I think its projected out to be sound beyond that. So at least we have time to work with it. But on all of these things, a sound economy is the only way to get it going. Growth in the economy is gonna add to the overall prosperity and wealth. I cant give you a specific answer on Pension Guarantee Fund. All I know is that we have firm government credit to guarantee the pensions. And that is very important. But its — the full faith and credit of the US, in spite of our difficulties, is still pretty good. Its still the most respected credit. So I would simply say, as these dates get close, youre going to have to reorganize and refix as we did with the Social Security Fund. And I think thats the only answer. But the more immediate answer is to do what this lady was suggesting we do, and that is to get this deficit down and get on without adding to the woes, and then restructure. One thing Ive called for that has been stymied, and Ill keep on working for it, is a whole financial reform legislation. It is absolutely essential in terms of bringing our banking system and credit system into the new age instead of having it living back in the dark ages. And its a big fight. And I dont want to give my friend Ross another shot at me here but I am fighting with the Congress to get this through. And you cant just go up and say Im going to fix it. Youve got some pretty strong- willed guys up there that argue with you. But thats what the elections about. I agree with the governor. Thats what the elections about. And sound fiscal policy is the best answer, I think, to all the three problems you mentioned.

MODERATOR Thank you. Mr. Perot.

ROSS PEROT On the broad issue here, when youre trying to solve a problem, you get the best plans. You have a raging debate about those plans. Then out of that debate, with leadership, comes consensus. Then, if the plans are huge and complex like health care, I would urge you to implement pilot programs. Like the old carpenter says measure twice, cut once. Lets make sure this things as good as we all think it is at the end of the meeting. Then finally, our government passes laws and freezes the plan in concrete. Anybody thats ever built a successful business will tell you you optimize, optimize, optimize after youve put something into effect. The reason Medicare and Medicaid are a mess is we froze them. Everybody knows how to fix them. There are people all over the federal government, if they could just touch it with a screwdriver, could fix it. Now, back over here. See, weve got a \$4 trillion debt and only in America would you have \$2. 8 trillion of it or 70% of it financed 5 years or less. Now, thats another thing for you to think about when you go home tonight. You dont finance long- term debt with short- term money. Why did our government do it? To get the interest rates down. A 1% increase in interest rates in that \$2. 8 trillion is \$28 billion a year. Now, when you look at what Germany pays for money and what we dont pay for money, you realize theres quite a spread, right, and you realize this is a temporary thing

and theres going to be another sucking sound that runs our deficit through the roof. You know, and everybodys ducking it so Im gonna say it, that we are not letting that surplus stay in the bank. We are not investing that surplus like a pension fund. We are spending that surplus to make the deficit look smaller to you than it really is. Now, that — put you in jail in corporate America if you kept books that way but in government its just kind of the way things are. Thats because it comes at you, not from you. Now then, that money needs to be — they dont even pay interest on it. They just write a note for the interest.

MODERATOR Mr. Perot, can you wrap it up?