

**SENATOR BOB BENNETT  
RADIO NEWS CONFERENCE  
(February 4, 2005)**

**Participants:**

**Jennie Christensen, KVNU in Logan  
Tom Busselburg, Davis County Clipper  
Tom Jordan, Metro News**

**Topics Discussed:**

Future of Social Security Reform  
Oil for Food (Volker Report)  
Medicaid Policy Reform  
Training of Iraqi Soldiers, Iraq elections  
Immediate Social Security Crisis?  
Logan Airport Instrument Landing System  
Legacy Parkway/Highway  
Medicare Reform  
Policy on Iran  
Bush's and European Leaders  
Spending, Budget, Tax Cuts Permanency

**KVNU – It looks like not everyone, not even the all the Republicans coming out to see President Bush on his road trip, is keen on his ideas for reforming Social Security. What do you actually think is going to happen here?**

**RFB –** I think we're going to have a very significant fight over this, but I applaud the president for his courage in tackling the problem. I think the first thing we need to do, which unfortunately some people are trying to avoid, is get agreement on exactly what the facts are with respect to the system. There are those who are saying there is no crisis. There are those who are saying we can fix it without difficulty from now, and the best thing to do is to wait until the crisis arises. We're going to have a serious fight over the whole Social Security thing and there are those who say, "Then why bring it up?" But I applaud the president for his courage for bringing it up because the fact is that the pressure on the Social Security system is real, it cannot be avoided and the best time to deal with it is as early as possible. The president's willingness to take it on now is a sign, I think, of great leadership. There are those who say, "Ah, let's just wait until it turns into an immediate crisis and deal with it at that point." There are those who say, "It's never going to be a crisis." That's frankly, simply, not correct.

Here's the timeline: The first pressure on the Social Security system will start within three years; that's when the baby boomers start to retire. It will be gentle pressure, but it will be irresistible and it will increase. It will hit a particular milestone about 10 years after that, when the Social Security system will start paying out more than it's receiving. And if we don't take steps now to prevent it in the lifetimes of young people who are coming out of Utah State University and joining the work force, the Social Security system as we know it will start to fall apart. The money will not be there to pay out the promised benefits. People who are retired will start to be told, "Well we can't pay anything in November; we'll have to wait until December. Oh, we didn't get enough money in December; you'll get your check in January" and so on. That sort of thing will start to happen if we don't take steps now.

**CLIPPER-** I understand yesterday that a report came out from Paul Volker regarding the Oil for Food investigation in Iraq. I'm just wondering what your thoughts are on that; if you think that this is just perhaps the tip of the iceberg? Are there just all kinds of, perhaps as of yet, unforeseen problems? Does it

**portend that the UN is in deep problems? How significant do you think this report is?**

**RFB-** Well, Paul Volker was very firm in the report in saying this is simply an interim report and we have much more to say. We've got more information to talk about when we get here. But he was very, very direct in saying that the gentleman who was in charge of the program for the United Nations clearly did not adhere to the highest ethical standards and that there were significant conflicts of interest. All of which he is going to follow on and report on with specificity later on.

I think this is a very serious moment in the life of the United Nations because it raises the fundamental question: Are you going to be content with following the ethical standards of the least common denominator of your members? You know the United Nations—any country can join; and we've seen Saddam Hussein's Iraq was a member of the United Nations. And the United Nations said, "Well, we're not going to interfere with your sovereignty and we'll accept you as a full voting member alongside the United States, or Great Britain or anybody else." We dealt with Iraq, but there are plenty of countries where internal corruption is the order of the day; where rake-offs, commissions, bribery, payments behind the table, etc. are the standard way of doing business. And the United Nations always turns a blind eye to that and says, "We're not going to look into the internal workings of any of our member states."

What it is clear has happened is that that level of ethical behavior has become the norm within the United Nations itself, and whether or not they are going to say, "We are going to start to hold ourselves to a higher standard instead of going to the lowest common denominator of our members," is ultimately the question that has to be answered. I think if the answer is not a very positive one, from the point of view of those who hold themselves to higher standards, the whole credibility of the UN is going to be seriously damaged, and its effectiveness—and there are those who say it's not very effective right now—but its future effectiveness will go down even more.

**KVNU- Some of the Utah legislators feel they could be clashing with former Governor Mike Leavitt, who, of course, is now President Bush's health and human services secretary. They say that his plan to reform Medicaid could mean shifting some of the costs to the state. Would you support making that kind of shift?**

**RFB-** I'd want to see the details before I committed myself one way or the other. Now that seems like a dodge. I will say that the present rate of growth in Medicaid is simply unsustainable. If we don't do something as a nation to hold down the rate of growth in both Medicaid and Medicare—again, talking about the young person just graduating from Utah State—in his or her career you will see the federal government reach the point where the entire federal budget goes to pay interest on the debt. And the debt will have been accrued almost entirely from Social Security, Medicaid and Medicare. Those three programs alone can take the country to the point where we won't have any money to spend on anything else, if we don't slow the rate of growth.

I am sympathetic with the effort that the president and his agent in this matter, Governor Leavitt, are working on to say we have to recognize that the growth of Medicaid has to be slowed. It means the federal government and the state governments have got to start to do this thing better and can't say well, this is an entitlement that we have to pay for and no matter how much it costs we're just going to keep the costs rising. We can't do that. I understand if I were a member of the state legislature I would be worried. But both at the federal and local level we have to recognize that potentially the whole thing could blow up in our face, and the people who would pay the highest price would be the poor. So don't say, "Well we have to keep doing this to take care of the poor." Ultimately, the collapse of the system would be devastating to the poor.

**CLIPPER- There was also a report this morning, well it was released yesterday, that perhaps only one-third of the Iraqi forces are adequately trained to tackle the most challenging missions. What do you think this will mean for the U.S. and the coalition as far as withdrawal possibilities, and as far as security for the Iraqi nation themselves?**

**RFB-** Don't look at the one-third number as a static number. I can remember when the number was 10 percent. If you look at in on a moving timeline we are three times better trained than we used to be. Obviously one-third is not acceptable; it will not work. The number has to come up to one-half, and then three-fourths and ultimately 100 percent. But the encouraging thing about it is that it is moving up, we are getting better troops. The most encouraging thing to me about what happened in the election, with respect to the long-term prospects for order in Iraq, was that the Iraqi troops took casualties. Do you remember when the Iraqi troops were first put in they turned and ran at the first gun fire. I remember some columnists saying, "This proves the Iraqis are not willing to fire on fellow Iraqis and that the Americans are viewed entirely as occupiers." No, all it proved was the troops were not properly trained, they were not properly led and they ran in fear. They're not doing that anymore, and maybe they're not as properly trained as they should be, and that's an issue we're working as hard as we can to get set right. But, more and more, the Iraqis who are responsible for their own security are showing a toughness and a level of courage that bodes well for the future.

So, do I like the one-third number? Of course not, but it's moving up; it will get stronger. We cannot underestimate the importance of the election experience last Sunday. It was huge, and the message that it sends to everybody around the world is that this is not a war between the insurgents and Americans, it's a war between the insurgents and the Iraqi people, and the Iraqi people are determined to win it.

**METRO- Yesterday, the head of the Congressional Budget Office and the comptroller general spoke at a hearing saying there really isn't a crisis in Social Security, that there are some reforms that might be appropriate. Are you fully behind the president's push that Social Security is needing immediate work, or is this something that could be tweaked over a period of years?**

**RFB-** The answer is yes to both questions. It is something that can and should be tweaked over a period of years, and the president is exactly right in saying we should start right now. As a matter of fact, we should have started about 10 years ago, because

this is one of those kinds of crises—if I could, it's kind of like termites in your basement. The exterminator comes to you and says, "I've done the annual inspection and you've got termites in your basement." And you say, "Well, when will the house collapse?" And he says, "15, 20, 30 years." And you say, "Well then, don't fumigate. Don't worry about it. I'll wait for 15 years and then I'll hire somebody." And he says, "Wait a minute, if you don't fumigate now, within five years the termites..." and within 10 years, you know, and you can follow the analogy. And you say, "No, until the actual structural stability of the house is threatened I'm not going to pay the price of fumigation."

That's what we're dealing with in Social Security. The first serious pressure on the current Social Security payouts will begin in 2008. That's three years from now, that's within the term for which I was elected. "Ahh, yeah, but that's not a crisis, so let's wait until 2018. Let's let it go another 10 years." That's the point at which Social Security will be paying out more than it's taking in. "Yes, but there's some money on the books in the trust fund so that's not a crisis," even though we will have added significantly to the national debt within the intervening 10 years. "Let's let the overall national debt go up very substantially, and we can deal with it in another 10 years." That's what the debate really is about. Do we need to start on it now so that the tweaks that need to be made down the road are gentle and intelligent, or can we bury our head in the sand and say since we don't have an immediate crisis we won't worry about a few termites in the basement, we'll wait until they've multiplied tenfold?

**KVNU-Cache county residents are so grateful that you were able to secure funding for an instrument landing system (ILS) at the Logan, Cache Airport, but there has been a delay. What is the real reason for the delay, and when do you believe that the ILS will be coming?**

**RFB-** I can't give you a specific answer to that question, but it is a question I intend to ask the FAA when they come before me in their appropriations committee hearing, which will be relatively soon. I don't understand why they are delaying it. Our office is in touch with them and they keep saying yes it's been approved and yes we're working on it. But if something is not nailed down with a date specific by the time the secretary of transportation comes before the appropriations committee, I'm going to have some very, very pointed questions for him because that's something we need to get done as quickly as we can.

**CLIPPER- Legacy Parkway/Highway of course, has been an issue for several years and apparently now the projected costs have soared by another \$200 million. It could cost far more than \$450 billion, as was originally estimated. Senator do you continue to back the highway? And do you feel there is anything that can be done from a federal level, perhaps, to push this project, or is it something where you need to keep hands off?**

**RFB-** Well, in the first place, I very much favor the Legacy Highway, as do a vast majority of Utahns. And particularly, the Utahns who are stuck on I-15 in massive traffic jams, with their engines idling, pouring out increasing pollution into the air. We should remember that engines that are operating at peak performance levels, as they were designed, create less pollution than engines sitting in a traffic jam, not moving, that are

idling. So those who say that delay or elimination of the Legacy Highway will somehow solve the pollution problem along the Wasatch Front are arguing the wrong way. By delaying the Legacy Highway they are increasing the pollution, not reducing it.

What can we do at the federal level? Well, at the federal level we think we've done everything that is necessary. It's tied up in the courts, and so far, I think the challenges made in the courts have been frivolous. But the court takes its own time to say, "Well, let's examine. Okay, you didn't fill this form out properly and so you need to go back and go through that process." So the state goes back and goes through the process. And then somebody else files a lawsuit and says, "Well, you signed it in the wrong color ink," or whatever it might be, and it's back in the courts to be heard. That is where the delay is. There is no delay on the part of the federal agencies that have reviewed this. They all say it's a good project, it meets all of our criteria, we should go ahead. There is certainly no delay on the part of the state. But lawsuits keep getting filed; it keeps getting tied up in the courts. That is the problem, and if I can figure out a way to deal with that, then I will be happy to try it. But right now we're very frustrated as we feel that our hands are tied.

**METRO-You have, for quite a long stretch, been a strong campaigner on the need for Medicare reform. Obviously you've already called attention to it this morning; the issue of simply a system which is growing faster than we can fund it. Are you hopeful that there is some kind of solution in sight where we can start to get a handle on some of the Medicare problems? And I imagine you've probably been talking to our former governor about what might be done on this.**

**RFB-** Yes. There are a number of very innovative ideas. We've held hearings on this in my committee and produced a very fascinating record of things that can be done and can be tried. On the other hand, if you think the fight over Social Security is one that's going to tie up the Congress, just talk about dealing with Medicare. We had a massive, massive fight last time over trying to get a drug benefit into Medicare. And it was interesting, certain portions of the Democratic party, led by Ted Kennedy kept insisting that the drug benefit that we Republicans were offering was—the word they used was chincy—that is, it was cheap; it was much, much less than what was needed, and you've got to do much better than this. Now, after the drug benefit was enacted, with the Democrats going around the country saying, "This doesn't do you any good; it's completely inadequate. It needs to be twice as big—three times," and so on. In the presidential campaign, Senator Kerry and others then turned around and attacked the president and the Republicans for "running up the budget; you're spending too much money."

You know, you can't have it both ways. You can't say the program is too cheap and needs three times as much money, and then say you're being spend-thrifts for what you're spending now. That is rhetoric, and I'm not raising it to point any fingers one way or the other, just simply to demonstrate how difficult it will be in the political environment to deal with that. That's why, again, I think the president is doing the right thing on Social Security. If we can get a bipartisan solution to Social Security I think we'll kind of look at each other across the aisle as that passes, and say, you know, that wasn't too tough. If we can cooperate to resolve the Social Security problem, which is far less than

the Medicare problem, we can cooperate to solve Medicare as well. So to those of the president's critics who're saying, "You're tackling the minor problem, which is Social Security, and ignoring the bigger problem. Why don't you focus on Medicare?" I say, Social Security, by comparison, is the easy one. Let's do it as a practice run for addressing the challenges that Medicare represents over the next two or three generations.

**KVNU- Secretary of State Condoleezza Rice has been telling reporters, as she's gone out on her first meetings with world leaders, that "an attack on Iran is simply not on the agenda," is the words that she used. How do you see that the president in his State of the Union certainly did, he was tough on Iran?**

**RFB-** I think both statements are right. That is, both positions, they're not necessarily in conflict. The people of Iran are among the most pro-American people anywhere in the world. The government of Iran is perhaps the most anti-American anywhere in the world. And the government keeps the people suppressed. They will not allow any kind of genuine democracy in their elections. They will not allow any opposing political parties. It's a nation of great repression. So, the president was speaking to the people of Iran, saying to them, "If you succeed in getting reform in your own country, you will find that the American government will be very supportive of your efforts." And I think that's a right and proper message for him to say. Now, there are those political opponents of the president who seize upon the situation in Iran to, frankly, try to frighten people in saying, "Look, the president is so trigger happy that if there's a problem in Iran he's going to invade." That's not the way to deal with Iran, and the president has never proposed invading Iran.

That's something of a straw man or a red herring, to try to draw attention away from the real situation in Iran. We're watching it very carefully. The president, with diplomacy, is working with his European allies to try to put pressure on Iran. But he needed to send the message to the Iranian people, even as we deal with the Iranian government, we are not ignoring your aspirations to see that this government eventually disappears. If we can get this government gone, and you play a part in that, we are with you. I don't think the two positions are in opposition to each other.

**METRO- There're many concerns raised, by European leaders in particular, that now they have to deal with President Bush for another four years—I mean there was the talk that they were hoping, of course this is in generality, that John Kerry would be elected and that sort of thing. Do you feel as though the president is making any overtures, so to speak, or that he needs to make any overtures, or that it's just that the Europeans don't understand the American way or the American point of view? Can a bridge be created for effective peace and development among the two continents and two countries?**

**RFB-** Well, there is no single Europe, or European opinion, but your generalization is correct. I would think most of the current leaders of most of the European countries would have preferred a John Kerry victory. Public opinion polls say the same is true in most countries, by no means all. There are many countries where support for the

American position is high, and there are many European leaders that rejoice in President Bush's election. But as a general rule, what you've laid down is true.

I've had some conversations with some of them. As a matter of fact, I had dinner just last week with the European Union ambassador to the United States and a group of Europeans that were here for meetings. We talked about this very bluntly and very openly. Two things in response to your question: Number one, the president is going to Europe this month and the Europeans like that. This will be his first trip abroad and he's chosen to spend it in Europe. And their reaction is, he's paying attention to us, he's going to listen to us and he recognizes that we're important. The first thing he's done after he's reelected is come to Europe. So, yes, there is an attempt to build a bridge there.

The one thing that I said to the Europeans was, don't underestimate this man. A lot of his political opponents have. And I know there are a lot of European leaders who put him down, say he's stupid, he's a Texas cowboy and he doesn't understand. Don't make the mistake, Europe, of assuming that George W. Bush is as bad as some of his American political critics say he is. And one of the European leaders who was sitting next to me at dinner said:

"Senator, we take seriously anyone who can be a two-term American president; the fact that he has won reelection and he won by as convincingly wide a margin as he did with 3 ½ million votes, in a hard fought election. Those who may have misjudged George W. Bush in his first term and thought he was a fluke now understand that he's not. And I assure you, we're going to take him much more seriously than maybe we have in the past."

So I think there's movement in both directions that can be very helpful.

**METRO- Obviously we are facing the issue of what to do about spending in general. We've obviously got a record trade deficit, record budget deficit. Do you see a way to put the tax cut into, to make the tax cut permanent, while finding a way to reduce spending?**

**RFB-** Yes, I think the budget that we will get will accommodate both. I'm interested that people look at the tax cut numbers and say, "Well if we had just repealed the tax cut then we'd get X billions more and we'd solve all our problems, and short fall, and this that and the other problem, it's all due to the tax cut." It's not that easy. We're talking about an \$11 trillion economy, where a slight change in the economy one way or the other produces billions, if not hundreds of billions difference in the amount of revenue that comes into the federal government. And all of the economists, whose judgments I trust, say that the tax cut was responsible for the fact that the recent recession was the shortest and shallowest that we have had in the post-war period. So you can say, "Well the tax cut cost the government X amount of revenue." And then you can turn around and say, "Yes, but if the recession had been deeper and longer it would have cost the government Y amount of revenue." Of course, nobody knows what either X or Y really is. You can make projections, but none of them is precise. So, I am not yet ready to say the recovery is so strong that it can sustain additional tax burdens.

And I'd remind you of the numbers that came out just today with respect to employment. People are saying this is the worse employment picture since Herbert Hoover. The unemployment rate declined from 5.4 percent to 5.2 percent, the payroll employment went up 146,000 new jobs in January. That means payroll employment for 2004 was the best performing year since 1999, and that continues now into 2005. We've had 20 straight months of job growth. I don't know how much of that can be attributed to the tax cut, but I know some of it can. For that reason, I'm not yet ready to jump on the bandwagon and say, "Well, we could solve all our problems if we just raised tax rates" because you need the recovery to be as strong and continuing as strongly as you can. Yes, I think we can show some budget restraint and at the same time leave the taxes where they are.